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Title: **Rolls-Royce Allison and International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) Local 933 (2000)**

K#: **4116**

Employer Name: **Rolls-Royce Allison**

Location: **IN**

Union: **International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)**

Local: **933**

SIC: **3724**

NAICS: **336412**

Sector: **P**

Number of Workers: **2300**

Effective Date: **02/26/00**

Expiration Date: **02/25/05**

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K # 4116

ees = 2,300

Duration 2/26/00 - 2/25/2005

K # 4116

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INTRODUCTION

The management of Rolls-Royce Allison recognizes that it cannot get along without labor any more than labor can get along without the management. Both are in the same business and the success of that business is vital to all concerned. This requires that both management and the employees work together to the end that the quality and cost of the product will prove increasingly satisfactory and attractive so that the business will be continuously successful.

Rolls-Royce Allison holds that the basic interests of employers and employees are the same. However, at times employees and the management have different ideas on various matters affecting their relationship. The management of Rolls-Royce Allison is convinced that there is no reason why these differences cannot be peacefully and satisfactorily adjusted by sincere and patient effort on both sides.

PREFACE

Rolls-Royce Allison and the UAW recognize their respective responsibilities under federal, state, and local laws relating to fair employment practices.

The Company and the Union recognize the moral principles involved in the area of civil rights and have reaffirmed in their Collective Bargaining Agreement their commitment not to discriminate because of race, religion, color, age, sex, national origin, or individuals with disabilities.

AGREEMENT

Entered into this 26th day of February, 2000, between Rolls-Royce Allison, hereinafter referred to as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, hereinafter referred to as the Union, as representing the production, maintenance and tool and die employees in the bargaining units where they have been certified as the collective bargaining unit representative and where it has been negotiated by the parties that this Agreement is applicable.

Further it is agreed that the sections of this Agreement which have been made subject to local bargaining, such as Paragraph (59) local seniority procedures, Paragraph (63) local transfer procedures, Paragraph (71) local equalization of hours procedures, Paragraph (75) local shift preference procedures and Paragraph (100) local wage rules, as well as any other matter specifically reserved for local bargaining, may be negotiated only by the recognized representatives of the respective parties. The recognized representatives for this purpose are the Shop Committee for the Union and Labor Relations for the Company.

RECOGNITION

(1) The Company recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, as the exclusive representative of the production, and maintenance and tool and die employees, except those listed in Paragraph (3) below for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, or other conditions of employment in the bargaining unit in which they have been so certified, subject to and in accordance with the provisions of the Labor Management Relations Act of 1947 and applicable orders of the National Labor Relations Board.

(2) In case the UAW shall be certified as the bargaining representative for any additional bargaining units where it is designated as the exclusive collective bargaining representative through the National Labor Relations Board, the matter of including such unit under terms of this Agreement shall be negotiated between the Labor Relations Staff and Shop Committee of Local 933, UAW and the International Officers of the Union.

(3) For the purposes of this Agreement the term "employee" shall include all production, maintenance and tool and die employees in the bargaining unit covered hereby. Personnel classified as "salary" are excluded. "Salary" refers to all full time, flex, temporary and contract employees performing salaried functions.

Union Security and Check-Off of Union Membership Dues

(4) An employee who is a member of the Union at the time this Agreement becomes effective shall continue membership in the Union for the duration of this Agreement to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union.

(4a) An employee who is not a member of the Union at the time this Agreement becomes effective shall become a member of the Union within ten (10) days after the thirtieth (30th) day following the effective date of this Agreement or within ten (10) days after the thirtieth (30th) day following employment, whichever is later, and shall remain a member of the Union, to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union, whenever employed under, and for the duration of, the Agreement.

(4b) Anything herein to the contrary notwithstanding, an employee shall not be required to become a member of, or continue membership in, the Union, as a condition of employment, if employed in any state which prohibits, or otherwise makes unlawful, membership in a labor organization as a condition of employment.

(4c) The Union shall accept into membership each employee covered by this Agreement who tenders to the Union the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership in the Union.

(4d) The Local Union will furnish Local Management, not later than fifteen (15) days prior to implementation of the automatic dues deduction system at any plant, the names of all members

paying dues direct to the Local Union. Thereafter, the Local Union will advise Management, promptly, of any changes to this list.

(4e) Any dispute arising as to the employee's membership in the Union shall be reviewed by a representative of local Management and the Chairperson of the local Shop Committee and/or the Financial Secretary, and if not resolved, may be decided by the Impartial Umpire.

(4f) "Member of the Union" as used in paragraphs (4) and (4a) above means any employee who holds membership in the Union. Such members shall not be more than thirty (30) days in arrears in the payment of membership dues.

(4g) Initiation fees for membership in the Union shall not exceed the maximum prescribed by the Constitution of the International Union at the time the employee becomes a member.

(4g1) In any state wherein Paragraphs (4) and (4a) of this Agreement cannot be made effective because of state law, an employee who is not a member of the Union at the time this Agreement becomes effective shall pay to the Union as a condition of continued employment, within ten (10) days after the thirtieth (30th) day following the effective date of this Agreement or within ten (10) days after the thirtieth (30th) day following employment, whichever is later, a sum equal to the Union's or local's initiation fee charged members and also a sum monthly which is equal to the monthly dues required of the Union's or local's members at each location, provided that such condition of continued employment is not prohibited by state law and, provided further, that such condition of continued employment continues to be lawful under the National Labor Relations Act, as amended.

(4g2) Any dispute which may arise as to whether or not an employee has paid the sum of money which is required to be paid as a condition of continued employment under Paragraph (4g1), shall be reviewed with the employee by a representative of the Local Union and a representative of Local Management. Should this review not dispose of the matter, the dispute may be referred to the Umpire whose decision shall be final and binding on the employee, the Union and the Company.

(4h) During the life of this Agreement, the Corporation agrees to deduct from the pay of each employee, or notify the Trustee of the Rolls-Royce Allison/UAW Supplemental Unemployment Benefit Plan Fund to deduct from each such employee's Regular Benefits, Union membership dues levied by the International Union or Local Union in accordance with the Constitution and By-Laws of the Union, provided that each such employee executes or has executed the following "Authorization for Check-Off of Dues" form; provided further however, that the Company will continue to deduct monthly membership dues from the pay of each employee for whom it has on file an unrevoked Authorization for Check-Off of Dues form.

(4i) Deductions shall be made only in accordance with the provisions of said Authorization for Check-Off of Dues, together with the provisions of this Section of the Agreement.

(4j) Once each month, the designated financial officer may submit to local management a list showing the name and social security number for each employee who is certified as owing an initiation fee and/or monthly dues, specifying the amount of the liability and the period to which any such monthly dues liability applies.

(a) This list shall be dated and shall be submitted on or before the first Tuesday following the third pay day in the month.

(b) Such amounts will be deducted from the first pay received following the first payroll period ending in the next following calendar month provided the employee has sufficient net earnings to cover the liability.

(4j) A properly executed copy of such "Authorization for Check-Off of Dues" form for each employee for whom Union membership dues are to be deducted hereunder, shall be completed by the employee and submitted to the Local Management before any dues deductions are made, except as to employees whose authorizations have heretofore been delivered to Local Management. Deductions shall be made thereafter, only under the applicable Authorization for Check-Off of Dues forms which have been properly executed and are in effect. Local Management shall deliver to the Local Union an "Application for Membership" form for each employee for whom Union membership dues are to be deducted under the provisions of the Check-Off except as to employees whose authorizations have heretofore been delivered.

(4k) Check-Off deductions under all properly executed Authorizations for Check-Off of Dues forms which have been delivered to Management on or before the effective date of this Agreement, shall begin with the month of March, 2000.

(4l) The initial monthly dues deduction from the pay of an employee who completes an "Authorization for Check-Off of Dues" form shall be made from the second pay received by the employee following the date on which the authorization was executed. It shall be presumed that employees owe initiation fees, unless they had previously executed an "Authorization for Check-Off of Dues" form at that plant, and such initiation fees will be deducted simultaneously with the initial deduction as specified in this paragraph. Thereafter, the Union membership dues for each succeeding calendar month shall be deducted as follows:

(a) The deduction for monthly dues will be made from the first pay received following the first payroll period ending in the calendar month. All payroll periods ending in a calendar month will constitute, in the aggregate, the dues deduction month. Regular monthly dues and past dues or initiation fees, if any, will be deducted provided the employee has sufficient net earnings to cover the deductions. In the event there are insufficient net earnings, the deductions will be made from the subsequent pay or Regular Benefit received by the employee that is sufficient to cover the deductions. Any liability will be carried forward until the employee has sufficient net earnings to cover the deduction or breaks seniority, whichever occurs first. However, deductions will only be made from Regular Benefits provided the employee has an applicable "Authorization for Check-Off of Dues" form in effect as of the date the deduction is made. In the event an employee has a past dues or initiation fee liability and receives a payment for the unused portion of Vacation Entitlement, such liability may be deducted from such payments.

(b) The dues deducted from an employee's earnings will be a sum equivalent to two (2) hours straight time pay and will be based upon the employee's hourly wage rate including cost of living allowance but excluding all other premiums for the job classification of record held by the employee during the pay period to which the deduction applies.

(c) In the event of a retroactive change in an employee's job classification of record for the pay period in which dues have been deducted, there will be no retroactive adjustment in the check-off of Union membership dues.

(d) The amount deducted from an employee's pay pursuant to these provisions shall be in addition to an amount which may be authorized by a Local Union pursuant to the Constitution and By-Laws of the Union and of which the Local Union has given notice to Local Management.

(e) In the event an employee does not receive a paycheck for a payroll period ending in a dues deduction month prior to the receipt of a Regular Benefit applicable to any such period, union dues in the amount of five dollars (\$5.00) or such other amount as may be established as dues shall be deducted from the Regular Benefit, provided the employee has the applicable "Authorization for Check-Off of Dues" form in effect as of the date the deduction is made. In the event such an employee subsequently receives a paycheck for a payroll period ending in the same dues deduction month, the difference between the amount of union dues paid and the amount then owing will be deducted from such paycheck.

(4m) In the case of employees rehired, or returning to work after layoff or leave of absence, or being transferred back into the bargaining unit, who previously have properly executed Authorization for Check-Off of Dues forms, deductions will be made for membership dues as provided herein.

(4n) In cases where a deduction is made which duplicates a payment already made to the Union by an employee, or where a deduction is not in conformity with the provisions of the Union Constitution and By-Laws, refunds to the employee will be made by the Local Union.

(4o) Dues deductions shall be remitted to the designated financial officer of the Local Union once each month as soon as available but no later than 10 days after the regular deduction date. Any deductions made from subsequent payrolls or from Regular Benefits paid during payroll periods that end in the calendar month shall be included with the remittance for the following month. Local Management shall furnish the designated financial officer of the Local Union, monthly, with the names, social security numbers, department numbers and clock numbers of those for whom deductions have been made, the amounts of the deductions and the amounts deducted, by employee and in total, respectively, for initiation fees, regular monthly dues, and S.U.B. dues. Regular monthly dues and S.U.B. dues shall be identified as to the period to which such deductions apply. This information should be furnished along with the dues remittance. The designated financial officer will be advised of the order in which the names will be listed and of any future changes in the order of the listing as far in advance as possible. The foregoing notwithstanding, deductions made on a declining balance basis, deductions of a past dues or initiation fee liability from a Regular Benefit and deductions from pay for a liability incurred more than six (6) months prior to the actual deduction date will not be identified to a specific deduction month.

(4p) Any dispute which may arise as to whether or not an employee properly executed or properly revoked an Authorization for Check-Off of Dues form, shall be reviewed with the employee by a representative of the Local Union and a representative of Local Management. Should this review not dispose of the matter, the dispute may be referred to the Umpire, whose decision shall be final and binding on the employee, the Union and the Company. Until the matter is disposed of no further deductions shall be made.

(4q) Neither the Company nor the Trustee of the Rolls-Royce Allison/UAW Supplemental Unemployment Benefit Plan Fund shall be liable to the International Union or its locals by reason of the requirements of this Section for the remittance or payment of any sum other than that constituting actual deductions made from employee wages earned or from Regular Benefits received.

(4r) In the event net earnings are sufficient to cover union membership dues for only one dues deduction month and an employee has a dues liability for more than one (1) month, the deduction will be for the current dues deduction month. In such situations membership dues for the past dues liability will be deducted from the next earnings received in that month or in a succeeding month in which the employee has sufficient net earnings to cover such union membership dues.

(4s) In the event an employee receives a back pay settlement or award for any calendar month for which no dues deduction has been made, a deduction for each such month shall be made from such settlement or award.

Administration of the Agreement

(15) The purpose of this Agreement is to provide orderly collective bargaining relations between the Company and the Union, to secure a prompt and fair disposition of grievances, to eliminate interruptions of work and interference with the efficient operation of the Company's business. If either party believes that the provisions of this Agreement are being administered in a manner inconsistent with the orderly collective bargaining relations, the circumstances will be discussed between the designated representative of local Management and the Chairperson of the Shop Committee, in an effort to resolve the problem. If the problem is not resolved locally the Vice President of Human Resources for the Company or the Director of the servicing International Union department may request, in writing, a meeting of their designated representatives to discuss the problem and take appropriate action.

Discrimination

(16) The Company will not interfere with, restrain or coerce employees because of membership or lawful activity in the Union, nor will it by discrimination in respect to hire, tenure of employment or any term or condition of employment, attempt to discourage membership in the Union. Further, the Company and the Union shall apply all provisions of this Agreement to all employees covered without discrimination based on race, color, religion, age, sex, national origin or individuals with handicaps or disabilities as required by appropriate state and federal law.

(16a) Any claims of violation of this policy, claims of sexual harassment or of any laws regarding discrimination or harassment on account of disability may be taken up in accordance with Paragraph (30) of this Agreement. When a complaint containing a claim of violation of this paragraph is appealed to the Shop Committee the Chairperson of the Shop Committee may refer the claim to a designated member of the Civil Rights Committee of the local Union for a factual investigation and report. Any such investigation will be conducted in accordance with the provisions of Paragraph (34). Neither the Chairperson of the Civil Rights Committee, nor the member of the committee that the Chairperson may designate to investigate such a claim in the Chairperson's place, shall receive pay from the Company based solely upon any activity arising pursuant to this paragraph. The grievance and arbitration procedure shall be the exclusive contractual procedure for remedying such discrimination claims.

(17) The Union agrees that neither the Union nor its members will intimidate or coerce employees in respect to their right to work or in respect to Union activity or membership, and further that there shall be no solicitation of employees for Union membership or dues during working time. The Union further agrees that the Company shall take disciplinary action for any violations of this provision.

Rights of the Company

(8) The right to hire; promote; discharge or discipline for cause; and to maintain discipline and efficiency of employees, is the sole responsibility of the Company except that Union members shall not be discriminated against as such. In addition, the products to be manufactured, the location of the plants, the schedules of production, the methods, processes and means of manufacturing are solely and exclusively the responsibility of the Company.

REPRESENTATION

(9) The Union shall be represented in the bargaining unit as follows:

In a ratio of not to exceed one district committee person for each two hundred and fifty employees covered by this Agreement. Any deviation from these rules to cover special conditions or any remote plant location will be negotiated between Labor Relations and the Shop Committee. If the issue cannot be resolved in this manner it may be taken up by representatives of the International Union with the Company.

District Committeepersons

(10) Each bargaining unit will be districted by agreement between the Management and the Shop Committee so that insofar as practicable each district on each shift shall contain approximately two hundred and fifty employees. Each committeeperson shall have a definitely defined district. The members of the Union in each such district shall select a committeeperson who is working in that district to represent the employees in that district. An alternate district committeeperson in each district, whose duties shall be the same as those of the regular district committeeperson for that district while the regular committeeperson is absent from the plant, may be selected by the members of the Union. The total number of employees receiving a regular payroll check for work performed (plus employees who did not receive a regular payroll check who are on an approved vacation or leave of absence pursuant to Paragraphs 103 and 109 - short term) during a week representative of normal operations, mutually selected by the Management and Shop Committee, will be the number used for redistricting. Plants shall be redistricted not more frequently than at six-month intervals, upon request of either the Management or Shop Committee, when there is a change in the number of employees equal to two hundred and fifty or five percent, whichever is greater. Thereafter, redistricting shall be accomplished within twenty working days of such request.

Shop Committees

(11) The Shop Committees in the plants covered hereby shall be as follows, except in plants up to 5000 employees the Union has the option of selecting plan A or plan B where applicable:

Employment in Plant		Shop Committee Consists of:		Zone Committeepersons & Chairperson	Total Shop Committeepersons
		Number Districts	District Committeepersons At Large		
Up to 51		2	2	0	2
51 to 500	Plan A	3	3	0	3
	Plan B	2	2	1	3
500 to 1000	Plan A	5	5	0	5
	Plan B	4	4	1	5
1000 to 1500	Plan A	7	4	1	5
	Plan B	6	5	2	7
1500 to 2500	Plan A	6 to 10	0	5	5
	Plan B	6 to 10	3	4	7
2500 to 3500	Plan A	10 to 14	0	5	5
	Plan B	10 to 14	3	4	7
3500 to 5000	Plan A	14-20	0	5	5
	Plan B	14-20	3	4	7

(12) In plants in which one or more members of the Shop Committee is elected at large, one of such members shall be the Chairperson of the Shop Committee.

(13) Each member of the Shop Committee elected at large shall have a definitely defined zone as may be agreed upon between the Shop Committee and the Plant Management. Where the Chairperson of the Shop Committee is elected at large, the entire plant shall constitute the Chairperson's zone. In the event a committeeperson is requested in a district at a time when both the district committeeperson and the alternate are absent from the plant, the zone committeeperson for the zone in which such district is located will be called to handle the complaint. In the event the zone committeeperson is also absent from the plant, the Chairperson of the Shop Committee will be called.

Meetings of Shop Committees

(14) A regularly scheduled meeting between members of the Labor Relations Staff and the Shop Committee will be conducted weekly, unless otherwise agreed between the parties to extend the time between meetings, at a time to be mutually agreed upon between the parties. Emergency meetings will be arranged by mutual agreement. Regularly scheduled meetings should not be canceled or rescheduled except where necessary.

(15) Management shall prepare minutes of the weekly meetings and have them available for review and approval at the next scheduled meeting. The Shop Chairperson shall furnish Labor Relations with an agenda of the matters, including a listing of grievances the Union desires to discuss at the meeting. The agenda should be submitted at least one day prior to the scheduled meeting; however, lack of an agenda will not preclude the discussion of other pertinent subjects.

(15a) The minutes shall include: date of the meeting; names of those present; sub-committee minutes; statements on grievances discussed; and points of discussion as agreed to by the Company and Union.

(15b) Sub-committees shall meet as required under the Grievance Procedure provisions. Minutes of these meetings will be maintained by the Labor Relations Representative and be included in the Shop Committee Minutes.

**Employment and Job Status of Committeepersons
(District, Zone, and Chairpersons of Shop Committees)**

(16) Committeepersons will be employed as full-time Union representatives during their scheduled working hours. They will function for the purpose of adjusting grievances in accordance with the Grievance Procedure and for other legitimate representation functions. Committeepersons will carry out their duties and functions as Union representatives in accordance with the chart set out below:

Purpose	District Committeepersons	Members of Shop Committee		
		Who are also District Committeepersons	Who are not District Committeepersons	Chairpersons of Shop Committees
Handle Grievances as provided in Par. (30) of Grievance Procedure	In their respective districts	In their respective districts	None	None
Handle Appealed Grievances with higher supervision as provided in Par. (31) of Grievance Procedure	According to agreed local practice			
Investigate Grievances Appealed to Shop Committee as provided in Par. (34) of Grievance Procedure	None	In any district	In any district (1)	In any district
Meetings with Management	None	On Meeting Days (4)		
Handle other legitimate representation functions. (2)	In their respective districts	In their respective districts	In their respective zones (3)	In any district or zone

- (1) As a general rule, such committeepersons will not be assigned to investigate appealed grievances in zones other than their own.
- (2) Other legitimate representation functions are defined as normal in-plant activities pertaining to the administration of the National Agreement and written local agreements including, but not limited to, participation in joint programs such as health and safety programs, product quality initiatives, skill development activities, etc.; and, provided such activities do not interfere with the work of other employees, supervision or the efficiency of operations.
- (3) Or in another zone when designated by the Chairperson if the regular Zone Committeeperson for that Zone is absent from the plant.
- (4) Shop Committeepersons attending Management Shop Committee meetings on shifts other than their regular shift will be paid for time spent in such meetings, with the understanding that their total hours paid for the day in question will not exceed their regularly scheduled shift hours for that day and such changes in shift hours for this purpose will not result in the payment of overtime premium [pursuant to Paragraph (85)(a)]. It is further understood that the above will not result in any increase in representation being furnished as a result of the Zone Committeepersons not working a full shift on their regular shift.

(17) Individuals shall not be eligible to serve as Committeepersons unless they are employees and until their names have been placed on the seniority list and they are working in the plant.

(18) It is mutually agreed that the prompt adjustment of grievances is desirable in the interest of sound relations between the employees and Management.

(19) The prompt and fair disposition of grievances involves important and equal obligations and responsibilities, both joint and independent, on the part of representatives of each party to protect and preserve the grievance procedure as an orderly means of resolving legitimate grievances.

Committeepersons acting properly in their official capacity should be free from orders by supervision which, if carried out, would impair the orderly investigation and presentation of grievances. Actions which tend to impair or weaken the grievance procedure, whenever they occur or in whatever manner or form, are improper.

Committeepersons have a responsibility to the Union and the employees they represent to conduct themselves in a businesslike manner and shall conform to the shop rules. The normal standard of conduct applicable to all employees shall be applied to committeepersons.

(20) Upon entering a department in the fulfillment of their duties, Committeepersons shall notify the Supervisor of that department of their presence and purpose.

(21) For the purposes of representation in handling grievances and performing other legitimate representation functions as provided herein, committeepersons will be scheduled to report to the plant, as follows:

(1) All regular hours up to eight that their district or zone is scheduled to operate, on their respective shifts.

(2) Other than regular hours, (including overtime, part time or temporary layoffs, shutdown for inventory or plant rearrangement) when ten (10) or more of the people they normally represent are working in their district or zone on their respective shift. Employees on continuous seven-day operations or operations manned by rotating or alternating shifts will not be considered in applying this provision. Employees represented by District Committeepersons who are members of the Shop Committee will also not be considered when determining whether a particular Zone Committeeperson shall be entitled to work overtime in accordance with this provision.

When district committeepersons who would be scheduled to report during overtime hours, as provided herein, advise Management in advance that they will be absent during such hours, Management will schedule the alternate committeepersons for those districts to report. If committeepersons have been scheduled to report and fail to inform Management that they will not be at work, Management will not be responsible for calling the alternate committeeperson.

(21a) The shift starting and ending time for Committeepersons will be the starting and ending time of the majority of the employees they represent. The provisions of this Representation Section do not require that Committeepersons be called earlier than their regular starting times because some employees in their districts start work earlier than their starting times or be given overtime when some employees in their districts start and quit later than their regular shift hours.

(21b) In the event of a reduction in force Committeepersons (including the Chairperson of the Shop Committee, Zone and District Committeepersons) shall be retained regardless of seniority as long as any employees whom they represent are retained at work in their district or zone.

Alternate committeepersons shall, at the point they would be subject to being removed from their respective district, be retained on a job they can do that is operating in their district. If after complying with all of the terms of this Agreement, alternate committeepersons are laid off, they will be the first to be recalled in their regular groups when work starts in those groups on their own jobs or on other jobs in their districts that they can do.

(22) Committeepersons shall enter and remain in the plant only on their respective shifts unless otherwise agreed to by Management. They shall be paid at their regular rate for the time spent in the plant on their respective shifts as provided in this Representation Section.

(22a) Committeepersons shall establish a regular rate equal to their regular straight time hourly rate, as of the time they assumed their duties as Committeepersons.

(22b) This rate shall be adjusted in accordance with any adjustments made in the rate for the classification the Committeeperson holds.

(22c) When provisions of the Local Seniority Agreement entitle committeepersons to return to their former groups on higher rated jobs, their rates will be adjusted in accordance with such provisions.

(22d) All Committeepersons shall ring in and out or otherwise account for their time in the manner required by local management. If the issue cannot be resolved locally it may be taken up by representatives of the International Union and the Company for resolution.

Job Status - Local Union Officials

(23) The President, one Vice-President, the Local Union Benefit Representative(s), the two union Local Apprentice Committee members and the Local Joint Programs Representatives provided for in Document 46 shall, at the point where they would be subject to layoff from the plant in a reduction in force, be retained at work in the plant regardless of their seniority, provided they can do a job that is operating. This will not apply in cases of temporary layoffs for inventory, material shortages, machine breakdowns, etc.

(23a) While on leave of absence, no employee shall serve as a Committeeperson.

(24) Committeepersons shall be governed by the plant rules regarding employees entering and leaving the plant. However, members of the Shop Committee and local Union Presidents may leave the plant on Union business when arrangements are made as far in advance as possible with Management by the President of the Local Union, Chairperson of the Shop Committee or International Representative.

(24a) Chairpersons of Shop Committees in plants employing 500 or more employees will be permitted to leave the plant in accordance with Paragraph (24) and will be paid their regular rates for up to six (6) hours per day Monday through Friday while they are out of the plant in the performance of legitimate representation functions during straight time hours when they would otherwise be entitled to be in the plant for representation purposes. They shall notify the designated Management representative, if available, when leaving and returning to the plant during working hours. Chairpersons of Shop Committees in plants employing less than 500 employees will be permitted to leave the plant in accordance with the above and will be paid their regular rate for up to twelve (12) hours per week, which will be a reservoir available at the start of the week, to be drawn upon during the week Monday through Friday.

(25) The names of the Committeepersons and Alternate Committeepersons in each district and zone, as well as the name of the Shop Chairperson and the names of the Committeepersons constituting the Shop Committee shall be given in writing to the Company. No Committeepersons shall function as such until the Company has been advised of their selection, in writing, by the officers of the Local Union, Chairperson of the Shop Committee, or an International Officer. Any changes in Committeepersons shall be reported to the Company in writing as far in advance as possible.

(26) International Executive Officers of the Union, or their representatives, duly authorized to represent the International Union at Shop Committee meetings, or the President of the Local Union, will be permitted to attend meetings between the Shop Committee and Management. The senior operations Manager, or designated representative, shall not be requested to meet with

more than two such representatives, whose names must have been submitted previously to the Company and who must be prepared to show proper credentials. Written requests will be given to Labor Relations at least twenty-four (24) hours before each meeting in all cases covered by this paragraph. It is understood that the President shall not be paid by the Company while attending such meetings unless the President is also a member of this bargaining unit.

(27) Committeepersons having individual grievances in connection with their own work may ask for a member of the Shop Committee to assist them in adjusting the grievance with their respective supervisors.

GRIEVANCE PROCEDURE

(28) The parties agree that the early and expeditious resolution of grievances is in the mutual best interests of the employees, the Union and the Company. The parties pledge themselves, therefore, to resolving all grievances at the earliest possible stage of the Grievance Procedure, preferably prior to the grievance being filed in written form. Failing that, the following guidelines have been developed to promote the orderly resolution of employee concerns.

Step One: Presentation of Grievance to Supervisor

(29) Any employee having a grievance, or one designated member of a group having a grievance, should first take the grievance up with the supervisor who will attempt to adjust it.

(30) Any employee may request the supervisor to call the committeeperson for that district to handle a specified grievance with the supervisor. The supervisor will send for the committeeperson without undue delay and without further discussion of the grievance.

(31) If the grievance is not adjusted by the supervisor, it shall be reduced to writing on forms provided by the Company and signed by the employee involved. One copy of the grievance shall be given to the supervisor. If the grievance is not adjusted at this step, the committeeperson, with or without the involvement of the zone committeeperson, shall then take the grievance up with higher supervision. (Step 1B)

Step 1B: Higher Supervision & District Committeeperson and/or Zone Committeeperson

(32) If the grievance is not adjusted at the 1B step, it may be referred to the appropriate Shop Sub-Committee. (Step 2A)

Step 2A: Shop Sub-Committee

(33) Grievances not adjusted at Step 2A Shop Sub-Committee shall be appealed to the Shop Committee as a whole to be taken up with the Labor Relations Staff. (Step 2B)

Step 2B: Appeal to the Shop Committee

(34) After a written grievance signed by the employee making the complaint has been appealed to the Shop Committee by a committeeperson, the Chairperson of the Shop Committee may designate one of its members to make a further investigation of the grievance in order to discuss the grievance properly when it is taken up by the Shop Committee with the Labor Relations Staff. After a grievance has been discussed at the Shop Committee Meeting and before the submission of Notice of Unadjusted Grievance, the designated Shop Committee person may reinvestigate the grievance in the light of any new facts disclosed in the Shop Committee Meeting or appearing in the Shop Committee Minutes.

(35) A final decision on grievances appealed to the Shop Committee will be given by the Labor Relations Staff in writing within a maximum of fifteen (15) working days from the date the grievance was first presented to Labor Relations, unless a different time limit is established by mutual agreement between Labor Relations and the Shop Committee in writing. Any grievance not appealed from a decision at one step of this procedure to the next within five (5) working days of such decision shall be considered settled on the basis of the last decision and not subject to further appeal. However, in an effort to expedite the proper functioning of the Grievance Procedure either party may, upon written notice to their respective counterparts, substitute a ten (10) day period for the fifteen (15) day period and a three (3) day period for the five (5) day period. A grievance may be withdrawn by mutual agreement without prejudice to either party at any step of the Grievance Procedure.

(36) Minutes of the Shop Committee Meetings shall be supplied in accordance with the procedure outlined in Paragraphs (15) and (35a) of this Agreement.

(37) If the grievance is not adjusted at this step and the Shop Committee believes it has grounds for appeal from the answer given by the Labor Relations Staff, the Chairperson of the Shop Committee will give Labor Relations a written "Notice of Unadjusted Grievance," on forms supplied by the Company, and the Chairperson or designated member of the Shop Committee will then prepare a complete "Statement of Unadjusted Grievance," signed by the Chairperson of the Shop Committee, setting forth all facts and circumstances surrounding the grievance, and where an alleged violation of Paragraph (6) is included in the grievance, a statement of the facts and circumstances supporting such a claim. The Labor Relations Staff will also prepare a complete "Statement of Unadjusted Grievance" and the Management's reason in support of the position taken, signed by the Manager of Labor Relations. Three copies of the Union's statement will be exchanged with the Management for three copies of the Management's statement as soon as possible and in any event within five (5) working days of the date of filing the Notice of Unadjusted Grievance. The exchange of statements shall take place fifteen (15) working days after receipt of the Labor Relations Staff answer of the grievance in the Shop Committee Meeting Minutes, unless this time is extended by mutual agreement in writing, in which event the thirty (30) days for appeal by the Regional Director as provided for in Paragraph (38) shall be automatically extended by the same number of days as the amount of extended time for exchanging "Statements of Unadjusted Grievance." The "Statement of Unadjusted Grievance" shall be consecutively numbered from one upward for identification purposes.

(38) The Chairperson of the Shop Committee shall then forward copies of the "Statements of Unadjusted Grievance," to the Regional Director of the International Union. The Regional Director will review the case and determine if an appeal shall be made. The Regional Director or a specified representative and the Director of the International Union or a specified member of the Director's staff will be granted permission to visit the plant for the purpose of investigating the specific grievance involved in "Statements of Unadjusted Grievance," providing such a grievance is of the nature that observation or investigation will aid in:

- (1) Arriving at a decision as to whether or not a grievance exists;
- (2) Arriving at a decision as to whether or not such grievance shall be appealed;
- (3) The purpose of its proper presentation in the event of appeal.
- (4) Such visits will occur only after the following procedure has been complied with:

(a) The names of the individuals who will be permitted to enter the plant must be submitted to the Company by the International Union previous to the date such entry is requested.

(b) The Regional Director shall give notice in writing to the Company of the request for entry and will identify the representative designated to make the visit and the specific grievance to be investigated. In the case of the Director of the International Union or a specified member of the Director's staff, notice may be given either verbally or in writing.

(c) The Company will acknowledge receipt of the request and set a time during regular working hours which is mutually agreeable for such visit.

(d) A member of the Shop Committee or a district committee person may accompany the Union representative during such visit if their presence is requested. Management representatives may accompany the Union representatives during such visit.

(e) Only one such visit on a specified grievance shall be made by the Regional Director, or specified representative, unless otherwise mutually agreed to.

(f) Such visits shall be restricted to the time mutually agreed upon in point (c) above and shall be of reasonable duration and shall be subject to all plant rules and regulations which apply to employees and all regulations made by the United States Army, Navy and Federal Bureau of Investigation.

It is mutually agreed that the purpose of this provision is solely to facilitate the operation of the grievance procedure, and that the Union representative shall confine such a visit to its stated purpose. If it is necessary the Union representative may interview the employee or employees signing the grievance and employees in the bargaining unit who have information relevant to the

case. Such interview shall be a private interview when requested by a Union representative and a suitable place will be provided.

Any dispute developing out of the application of these provisions may be finally determined by the Umpire.

If the Regional Director shall decide to appeal the case, notice shall be given on the form "Notice of Appeal" supplied by the Company, sending one copy each to the Company and the Chairperson of the Shop Committee. Such "Notice of Appeal" will carry the same case number as the "Statement of Unadjusted Grievance." Except as provided in Paragraph (79e), any case not appealed within thirty days, or within thirty days plus any agreed upon extension of time for exchanging Statements of Unadjusted Grievance as provided in Paragraph (37), after the date the written Statements of Unadjusted Grievance are exchanged, or, in any event, within forty-five (45) days of the date of the written decision of the Labor Relations Staff to the Shop Committee, shall be finally and automatically closed on the basis of the written decision of the Labor Relations Staff to the Shop Committee and shall not be subject to further appeal. The forty-five (45) day time limit for appeal shall be extended by the same number of days the local parties agree to extend the time limit for the exchange of Statements of Unadjusted Grievances. No case shall be reopened unless the Regional Director shall submit new evidence to the Company and it is mutually agreed by them that such case should be reopened. The case shall then date from the date it is reopened.

Step 3: Appeal Step with International Union

(39) The case will then be considered by an Appeal Committee consisting of four members as follows: For the Union, the Regional Director or one specified representative of the Regional Director who is permanently assigned to handle all cases arising under this Agreement, in all plants in that region, and the Chairperson or another designated member of the Shop Committee of the plant involved; and two representatives of Management, one of whom has not previously rendered a decision in the case. No person shall act as a representative of a Regional Director in meetings of the Appeal Committee unless the designated person's name has been given to the Company in writing by the International Union. A representative of the International Office of the union and another representative of the Company may also attend such meetings at any time. Upon the written request of the Chairperson of the Shop Committee and the Regional Director, or specified representative, to the Company, twenty-four (24) hours in advance of the meeting, a member of the Shop Committee (or the district committeeperson, in lieu of such Shop Committeeperson, who has previously handled such case) will be permitted to participate in the appeal meeting on such case. Whenever the Union requests the presence of a third representative at the appeal hearing, Management may also select a third representative who has previously handled the case, to participate in the appeal meeting on such case.

(40) Attendance of district committeepersons at Appeal Committee meetings shall be considered as absence from the Plant. Such committeepersons will be paid their regular rate of pay for time spent in such meetings of the Appeal Committee for the hours that they would otherwise have worked in the plant.

(41) Meetings of the Appeal Committee shall be held not more frequently than once each two weeks, unless mutually agreed otherwise. In the event no meetings of the Appeal Committee have been held for more than two weeks, meetings will be arranged within seven days after "Notice of Appeal" has been received.

(42) If an adjustment of the case is not reached at this meeting, Management will furnish a copy of its decision in writing and a copy of the minutes of the meeting to the Chairperson of the Shop Committee and the Regional Director within five (5) working days after the meeting, unless this period is extended by mutual agreement in writing.

(42a) Special Procedure - Contracting of Work

Grievances charging a violation of the Company's express commitments set forth in Document 9 (Subcontracting of Skilled Trades Work) shall be handled in the following manner:

(1) When a grievance arises involving the above, it shall be reduced to writing on forms provided by the Company, signed by the Chairperson of the Shop Committee or the Shop Committee member involved, and referred to the Shop Committee at Step Two of the grievance procedure. The grievance may then be processed in the grievance procedure through Step Four under the terms of the National Agreement, unless the Director of the servicing department of the International Union elects otherwise as provided in Paragraph (42a)(2) below.

(2) Within thirty (30) days of the date of Notice of Appeal to the Umpire, written notice will be given to advise the Director of Labor Relations of the Company of any case which the Director of the servicing department of the International Union has elected to refer back to the Appeal Committee. Thereafter, the bargaining procedure provided in Paragraph (117) may then be applicable.

Step 4: Appeal to Impartial Umpire

(43) In the event of failure to adjust the case at this point, it may be appealed to the impartial Umpire, providing it is the type of case on which the Umpire is authorized to rule. Notice of appeal of such cases to the Umpire by the Union shall be given by the Regional Director to Management and to the International Union offices in Detroit. In cases appealed to the Umpire by the Company, notice of such appeal will be given by the Company to the Regional Director's Office. Cases not appealed to the Umpire within twenty-one (21) days from the date of a final decision given after review in an Appeal Committee meeting shall be considered settled on the basis of the decisions so given; provided, however, that within the twenty-one (21) day time limit of this paragraph a case may be withdrawn by mutual agreement without prejudice to either party.

(43a) After a case has been appealed to the Umpire but prior to the Umpire hearing of the case, the Director of the International Union or a specified member of the Director's staff will be

granted permission to visit the plant for the purpose of investigating the specific grievance in accordance with all of the provisions of Paragraph (38) regarding plant visits.

(43b) (1) Any grievance involving a dispute regarding an employee's job assignment which has resulted in a loss of work (except as provided in (a) below), or a refusal of Management to return an employee to work from sick leave of absence by reason of the medical findings of a physician or physicians acting for the Company, will be initiated at the Second Step, if such findings are in conflict with the findings of the employee's personal physician with respect to whether the employee is able to do a job to which the employee is entitled, in line with the employee's seniority, or do the disputed job assignment as the case may be. Failing to resolve the question, the parties may refer the employee to a local clinic or physician mutually agreed upon for an impartial medical opinion as to whether the employee is or is not able to do a job to which the employee is entitled, in line with the employee's seniority, or do the disputed job assignment as the case may be. If Management and the Union are unable to agree on any aspect of the referral to a clinic or physician, the case may be appealed as provided in the grievance procedure. Without adding to or modifying any other provisions of this Agreement or any of its Supplements, where an Impartial Medical Opinion (IMO) Program is in effect in a plant the medical authority(s) approved for such program may be the "local clinic or independent physician" provided for above. The expense of any mutually agreed to physical examination(s) in accordance with the above provisions of this Paragraph (43b) shall be paid one half by the Company and one half by the Local Union.

(a) This procedure will also be applicable to a situation where an employee is prevented from being transferred to a job classification because of a medical finding by a physician acting for the Company, which medical finding the employee's personal physician does not thereafter detect.

(43b) (2) In the event the Company and the International Union are unable to mutually agree at the Third Step, on the referral to a clinic or physician, the case shall be considered as automatically appealed to the Umpire and shall be scheduled for Umpire Hearing as expeditiously as practicable. The case will then be handled in accordance with Paragraph (45). Information furnished the Umpire shall include all relevant and material medical information that the parties themselves have jointly considered. When deciding medical questions, the Umpire shall seek such competent medical advice, including specialists, as the Umpire may deem appropriate. Any examination of the employee by the medical personnel selected by the Umpire shall be conducted as close as feasible to the city in which the plant where the grievance arose is located.

(43b) (3) Any decision by a mutually agreed to medical authority at any step of this Paragraph (43b) procedure, or by the Umpire, shall be final and binding on the Union, the employee involved and the Company. Any retroactive pay due an employee shall be limited to a period commencing with the date of filing of the grievance, or the date the employee became able to do a job to which the employee is entitled, in line with the employee's seniority, whichever is the later. The Umpire shall have full discretion to set the amount of back pay, if any, when a dispute exists as to the back pay to which an employee may be entitled for any period during the

processing of the grievance when the employee refuses to cooperate with diagnostic medical procedures at other than the employee's own expense.

(44) The impartial Umpire shall have only the functions set forth herein and shall serve during the term established by contract for as long as the Umpire continues to be acceptable to both parties. The fees and expenses of the Umpire will be paid one-half by the Company and one-half by the Union and all other expenses shall be borne by the party incurring them.

(45) All cases shall be presented to the Umpire in the form of a written brief prepared by each party, setting forth the facts and its position and the arguments in support thereof. The Umpire has discretion to conduct appropriate investigation and may opt to hold a hearing open to the parties and examine the witnesses of each party and each party shall have the right to cross-examine all such witnesses and to make a record of all such proceedings.

Powers of the Umpire

(46) It shall be the function of the Umpire, after due investigation and within a reasonable period of time after submission of the case, to make a decision in all claims of discrimination for Union activity or membership and in all cases of alleged violation of the terms of this Agreement, except as follows: The Umpire shall have no power to add to or subtract from or modify any of the terms of this Agreement or any agreements made supplementary hereto; nor to establish or change any wage; nor to rule on any dispute arising from Production Standards. The Umpire shall have no power to rule on any issue or dispute arising under The Waiver Section, Paragraphs (226), (227) or the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section, except with respect only to the question of whether a discharged employee should receive a supplemental allowance pursuant to the Pension Plan. Any case appealed to the Umpire on which the Umpire has no power to rule shall be referred back to the parties without decision.

(46)(1) In making a decision on a case alleging a violation of Management's commitments in Paragraphs (183a), (183b), (183c), (183e) and Document 9 (Subcontracting) as well as Document 2 (Sourcing) the Umpire can only provide a remedy where the Umpire finds that (1) a violation of the express commitments set forth in the above documents has been established, (2) the established violation resulted from the exercise of improper judgment by Management, (3) an E.I.T.S. or Journeyman/woman employee, who customarily would perform the work in question has been laid off or was allowed to remain on layoff as a direct and immediate result of work being subcontracted, or (4) in the case of sourcing, an employee has been laid off or was allowed to remain on layoff as a result of work being outsourced, or not being brought in-house. The Umpire's remedy shall be limited to back wages for the affected employees as defined in (3) and (4) of this paragraph, and in the case of Document 2 (Sourcing), the Umpire may rule that the affected employees will be recalled and/or placed on regular productive work.

(46a) The Umpire may, pursuant to written agreement between the parties executed prior to the hearing, be directed to issue a Memorandum Decision in any case that may be presented to the

Umpire, which Memorandum Decision shall be without precedent value and be limited to the Umpire's decision and the remedy, if any, in that specific case. The Umpire will issue the decision within ten (10) days following the date the Umpire hearing is concluded.

(47) The Company delegates to the Umpire full discretion in cases of discipline for violation of shop rules, company policies or discipline for violation of the Strikes, Stoppages and Lock-outs Section of the Agreement.

(48) Any claims including claims for back wages by an employee covered by this Agreement, or by the Union, against the Company shall not be valid for a period prior to the date the grievance was first filed in writing, except that:

(1) in cases based on a violation which is noncontinuing, such claims shall be valid for a period of not more than seven days prior to the date the grievance was first filed in writing unless the circumstances of the case made it impossible for the employee, or for the Union, as the case may be, to know that the employee, or the Union, had grounds for such a claim prior to that date, in which case the claim shall be limited retroactively to a period of thirty days prior to the date the claim was first filed in writing;

(2) in cases based on a violation which is continuing, if the circumstances of the case made it impossible for the employee, or for the Union, as the case may be, to know that the employee, or the Union, had grounds for such a claim prior to that date, in which case the claim shall be limited retroactively to a period of thirty days prior to the date the claim was first filed in writing;

(49) Deductions from an employee's wages to recover overpayment made in error will not be made unless the employee is notified prior to the end of the month following the month in which the check (or payroll order) in question was delivered to the employee.

(50) All claims for back wages shall be limited to the amount of wages the employee would otherwise have earned from employment with the Company during the periods as defined above in Paragraph (48) and, in the case of protested discipline or loss of seniority, the amount of Supplemental Unemployment Benefits and Unemployment Compensation (provided the denial of this benefit is final) the employee applied for in a timely manner, was otherwise entitled to, but did not receive because of such discipline or loss of seniority, less the following:

(a) Any Unemployment Compensation received for a week which corresponds to a week the employee would have worked for the Company which the employee is not obligated to repay or which the employee is obligated to repay but has not repaid nor authorized the Company to repay on the employee's behalf.

(b) Compensation for personal services other than the amount of compensation received from any other employment which the employee had when last working for the Company and which would have continued had the employee continued to work for the Company during the period covered by the claim.

Wages for total hours worked each week in other employment in excess of the total number of hours the employee would have worked for the Company during each corresponding week of the period covered by the claim, shall not be deducted.

The calculation of a back pay award made pursuant to this section will be provided to the employee involved upon request.

(51) No decision of the Umpire or of the Management in one case shall create a basis for a retroactive adjustment in any other case prior to the date of the written filing of each such specific claim.

(52) After a case on which the Umpire is empowered to rule hereunder has been referred to the Umpire, it may not be withdrawn by either party except by mutual consent.

(53) There shall be no appeal from the Umpire's decision, which will be final and binding on the Union and its members, the employee or employees involved and the Company. The Union will discourage any attempt of its members, and will not encourage or cooperate with any of its members, in any appeal to any Court or Labor Board from a decision of the Umpire.

With respect to the processing, disposition and/or settlement of any grievance initiated under the Grievance Procedure Section of this Agreement, and with respect to any court action claiming or alleging a violation of this Agreement or any local or other agreement amendatory or supplemental hereto, the Union shall be the sole and exclusive representative of the employee or employees covered by this Agreement. The disposition or settlement, by and between the Company and the Union, of any grievance or other matter, shall constitute a full and complete settlement thereof and shall be final and binding upon the Union and its members, the employee or employees involved and the Company.

Neither the Company, nor the Union, nor any employee or group of employees, may initiate or cause to be initiated or press any court action claiming or alleging a violation of this Agreement or any local or other agreement amendatory or supplemental hereto, where such claim is also the subject matter of a grievance which is then open at any step of this grievance procedure.

No employee or former employee shall have any right under the Agreement in any claim, proceeding, action or otherwise on the basis, or by reason, of any claim that the Union or any Union officer or representative has acted or failed to act relative to presentation, prosecution or settlement of any grievance or other matter as to which the Union or any Union officer or representative has authority or discretion to act or not to act under the terms of this Agreement.

(54) Any grievances which the Company may have against the Union, shall be presented by Labor Relations to the Shop Committee. In the event that the matter is not satisfactorily adjusted within two weeks after such presentation, it may be appealed to the Third Step of the Grievance Procedure upon written notice to the Union and the Regional Director of the Union. Thereafter

the matter will be considered at the Third Step of the Grievance Procedure as provided in Paragraph (39). If the matter is not satisfactorily settled at this meeting or within five days thereafter by agreement, the case may be appealed to the Umpire by the Company upon written notice to the International Union at Detroit and to the Umpire.

(55) Any issue involving the interpretation and/or the application of any term of this Agreement may be initiated by either party directly with the other party. Upon failure of the parties to agree with respect to the correct interpretation or application of the Agreement to the issue, it may then be appealed directly to the Umpire as provided in Paragraph (41).

SENIORITY

Acquiring Seniority

(56) Employees shall be regarded as temporary employees until their names have been placed on the seniority list. There shall be no responsibility for the reemployment of temporary employees if they are laid off or discharged during this period. However, any claim by a temporary employee rehired pursuant to Paragraph (65), or any claim by any other temporary employee made after 45 days of employment, that their layoff or discharge is not for just cause may be taken up as a grievance.

(57) Employees may acquire seniority by working ninety (90) days during a period of six (6) continuous months in which event the employee's seniority will date back ninety (90) days from the date seniority is acquired; provided, however, that employees rehired pursuant to Paragraph (65) may acquire seniority by working thirty (30) days during a period of six (6) continuous months in which event the employee's seniority will date back thirty (30) days from the date seniority is acquired.

(58) When employees acquire seniority, their names will be placed on the seniority lists for their respective occupational groups in the order of their seniority.

(58a) The following are rules for computing seniority of employees who acquire seniority by working 90 days within six (6) continuous months, and computing the period specified in Paragraphs (4) through (4c) of this Agreement:

(1) Credit toward acquiring seniority will begin with the first day worked by the new employee and will include the subsequent days of that pay period.

(2) Thereafter, during six (6) consecutive months until the employee acquires seniority the employee will receive credit for seven (7) days for each pay period during which the employee works, except that credit will not be given for any days the employee is on layoff.

(3) No credit will be given for any pay period during which, for any reason, the employee does not work except as provided in Paragraph (108) and in the case of the pay period in which

the full week of Christmas holidays fall, provided the employee would otherwise have been scheduled to work.

(4) Unless employees are at work on the 90th day of their accumulated credited period, they must work another day within their probationary period to acquire seniority. If the 90th day of their accumulated credited period falls on a holiday, the employees will be considered as having seniority as of the holiday. If the 90th day of their accumulated credited period falls on their vacation pay eligibility date, the employees will be considered as having seniority as of the vacation pay eligibility date.

(5) In the event temporary employees are summoned and report for jury duty as prescribed by applicable law during the period of six (6) continuous months preceding the date they acquire seniority pursuant to Paragraph (57), the employees' seniority when acquired will be adjusted to give the employees credit for seven additional days for each week in the period in which they did not work and during which jury duty was performed. The employees must furnish evidence that the jury duty was performed in order to receive seniority credit in accordance with this provision.

(59) Seniority shall be by non-interchangeable occupational groups within departments, group of departments or plant-wide, as may be negotiated locally in each plant and reduced to writing. It is mutually recognized by the parties that written local seniority agreements are necessary. The local seniority agreement and modifications or supplements thereto shall be reduced to writing and be subject to the approval of the Company and the International Union.

When changes in methods, products or policies would otherwise require the permanent laying off of employees, the seniority of the displaced employees shall become plant-wide and they shall be transferred out of the group in line with their seniority to work they are capable of doing, as comparable to the work they have been doing as may be available, at the rate for the job to which they have been transferred.

Seniority Lists

(60) Seniority lists shall be posted the first and third week each month for employee review at the following locations in the Company:

Plant 5

1. Bay Location - B21
2. Bay Location - O14
3. Bay Location - A04
4. Bay Location - BR19B
5. Bay Location - D20

Plant 8

6. Bay Location - C20

Evansville

Single Crystal Operations

**AERO
AMPS**

The list shall be arranged by occupational group with the highest seniority employee of the group listed first. The list shall contain the employee's name, plant seniority, and, if different than the employee's plant seniority date, skilled trades date of entry or skilled trades seniority date.

Any change in the frequency of postings or locations shall be mutually agreed to by Labor Relations and the Shop Committee.

Reports

(61) Each three (3) months the Chairperson of the Shop Committee shall be given two up-to-date copies of the complete seniority list of the Company containing each employee's name, department number occupational group or classification, plant seniority date, skilled trades date of entry or skilled trades seniority date. An additional copy of each such list shall be given to the Financial Secretary.

(61a) Following the end of each month the Chairperson of the Shop Committee shall be furnished two copies and the Financial Secretary shall be furnished one copy of the list of names, department number and seniority dates of employees who during the preceding month have:

1. Acquired seniority.
2. Been granted leaves of absence for military service.
3. Been granted other types of leaves of absence of more than thirty(30) days' duration.
4. Returned to work from leaves of absence described in (b) and (c) above.

Management will designate on the list those employees who ceased to be subject to the check-off and the reason therefor.

(61b) Each week the Chairperson of the Shop Committee shall be furnished two copies and the Financial Secretary shall be furnished one copy of the list of names and department numbers of the employees who during the preceding week:

1. Became new hires into the bargaining unit [designating those hired by classification, those hired as journeymen/women, including identification of apprentice graduates, and employees-in-training (E. I. T.)].
2. Returned to work from permanent layoff.
3. Transferred
 - A. into the bargaining unit, or
 - B. out of the bargaining unit (to Supervisory or non-Supervisory position).

4. Had their employment terminated while in a temporary employee status, including the date of hire and last day worked of each such employee.
5. Lost seniority, and the reason therefor.
6. Became deceased (including retired employees).
7. Were placed on permanent layoff.

The list shall contain the seniority dates of employees listed under 2., 3. and 7. It shall also include an notation of the seniority date of the employee with the longest seniority who is laid off or the "leveling off" date.

(61c) Each month the Financial Secretary shall be furnished with the names, social security numbers, department numbers and clock numbers of those employees on the active roll or on layoff, as of the last day of the final payroll period ending in the month, for whom no deductions were made during that dues deduction month and the reason therefor. In the event an employee breaks seniority or transfers out of the bargaining unit during the previous dues deduction month and has an unpaid dues liability, the amount of such liability will be shown on this list. This information should be furnished along with the dues remittance report described in Paragraph (4c). The Financial Secretary will be advised of the order in which the names will be listed and of any future changes in the order of the listing as far in advance as possible.

Transfers

(62) When employees are transferred from one occupational group to another for any reason, there shall be no loss of seniority.

(63) The transferring of employees is solely the responsibility of Management subject to the following sub-paragraphs. The provisions of this paragraph shall be applied without discrimination because of race, religion, color, age, sex, or national origin, so that equal employment opportunity will be afforded to all employees.

This Paragraph (63) will be openly displayed in each department in each plant in such a manner that it may be reviewed by the employees so that they will be aware of transfer and promotional opportunities that may become available to them and the procedure for expressing their desires. All classifications within a department and their rates of pay will also be openly displayed in that department so that employees will be aware of transfer and promotional opportunities that may become available to them. Local agreements that have been negotiated pursuant to sub-Paragraph (63)(b) below will also be so openly displayed in each department in each plant.

(63a) Employees who desire advancement to higher paid classifications within their department or other established broader scope of selection, may make application to their supervisor or the Personnel Department on forms provided by the Company on which they may state their qualifications and experience. Thereafter, as openings occur, selection for the promotion will be from among such applicants and applicants for that classification that have filed pursuant to the Local Transfer Agreement, and where ability, merit and capacity are equal, the applicant with the longest seniority will be given preference.

If the settlement of a grievance alleging violation of this Paragraph (63) (a) is on the basis that a different employee should have been promoted, that employee will receive the difference in wages earned (exclusive of earnings received for overtime hours which they worked but were not worked by the employee improperly promoted to the higher rated job) and the wages they would have earned had they been promoted.

(63b) It is the policy of Management to cooperate in every practical way with employees who desire transfers to new positions or vacancies in their department. Accordingly, such employees who make application to their supervisor or the Personnel Department stating their desires, qualifications and experience, will be given preference for openings in their department provided they are capable of doing the job. However, employees who have made application as provided for above and who are capable of doing the job available shall be given preference over new hires. In case the opening is in an equal or lower rated classification and there is more than one applicant capable of doing the job, the applicant with the longest seniority will be given preference. Any secondary job openings resulting from filling jobs pursuant to this provision will be filled through the Local Transfer Agreement or new hire.

Any claim of personal prejudice or any claim of discrimination for Union activity in connection with transfers may be taken up as a grievance. Such claims must be supported by written evidence submitted within 48 hours from the time the grievance is filed.

In plants where departments are too small or in other cases where the number of job classifications within a department is insufficient to permit the practical application of this paragraph, arrangements whereby employees may make such application for transfer out of their department may be negotiated locally, subject to the approval by the Company and the International Union.

Loss of Seniority

(64) Seniority shall be broken for the following reasons:

(64a) If the employee quits.

(64b) If the employee is discharged.

(64c) If the employee fails to return to work within five (5) working days after being notified in writing by Management to report for work and does not give a satisfactory reason. Such notice shall be clear in intent and purpose. Copies of Management's notification to report for work and notification of such loss of seniority will be furnished promptly to the Chairperson of the Shop Committee.

(64d) If the employee is laid off for a continuous period equal to the seniority which the employee had acquired at the time of such layoff period or, in the case of an employee with less than (1) year of seniority, eighteen (18) months or, in the case of an employee with (1) or more years of seniority, (36) months whichever is longer; however, an employee whose seniority is so broken shall, for a period of sixty (60) months beginning with the employee's last scheduled work day prior to being laid off, retain a right to be rehired in accordance with the seniority date the employee had established at that plant as of such last day scheduled. An employee who is rehired, and who reacquires seniority at the same plant, pursuant to Paragraph (57), within sixty (60) months immediately following the last day worked prior to the layoff during which the employee's seniority was broken by virtue of this Paragraph (65) shall have the new seniority date adjusted by adding an amount equal to the seniority which the employee had acquired at that plant as of such last day worked.

For the purpose of computing the period for breaking seniority only, the first day of that period will be the next otherwise regularly scheduled work day after layoff. In the case where the next otherwise regularly scheduled work day is a Monday holiday as listed in Paragraph (203) that Monday will be considered the first day of that period.

(65) Retirement as follows:

1. An employee who retires, or who is retired under the terms of the Pension Plan, shall cease to be an employee and shall have seniority canceled.
2. An employee who has been retired on a permanent and total disability pension and who thereby has broken seniority in accordance with subsection (1) above, but, who recovers and has pension payments discontinued, shall have seniority reinstated as though the employee had been on sick leave of absence during the period of disability retirement, provided however, if the period of disability retirement was for a period longer than the seniority the employee had at the date of retirement, the employee shall, upon the discontinuance of the disability pension, be given seniority equal to the amount of seniority the employee had at the date of such retirement.
3. If an employee retired for reasons other than total and permanent disability who has lost seniority in accordance with subsection (1) above, is rehired such employee will have the status of a new employee and without seniority, and shall not acquire or accumulate any seniority thereafter, except for the purpose of applying the provisions governing Holiday Pay and Vacation Pay.

(66) Employees will be laid off and rehired in accordance with local seniority agreements.

(67) If the employee is issued a Separation Payment check or draft by the Company pursuant to the Unemployment Compensation provisions, the employee's seniority shall be broken at the Company as of the date the application for such Separation Payment was received by the Company; provided, however, that if the employee:

(1) returns the amount of the separation Payment to the Company within 30 days of the date of the Separation Payment check or draft, the employee's seniority shall be reinstated as of the fourth working day following receipt of the returned amount;

(2) Received such Separation Payment by reason of total and permanent disability and subsequently recovers and reports for work, the employee's seniority shall be reinstated as though the employee had been on sick leave of absence during the period of disability, provided further, however, that if the period beginning with the date seniority was broken by reason of the Separation Payment and ending with the date of the employee's return to work was for a period longer than the seniority which the employee had at the date such seniority was broken because of the Separation Payment, the employee shall be given seniority equal to the amount of seniority which the employee had at the date of such seniority break.

(67a) An employee whose seniority is broken under the provisions of Paragraphs (64a), (64b), (64c), (111)(a) or (111)(b) will, in the event the employee's seniority is reinstated, be reimbursed for any contributions made pursuant to the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section.

An employee who is assessed a disciplinary layoff which is subsequently reduced or rescinded, will be reimbursed for any contributions made pursuant to the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section.

(68) The Management of each plant will, whenever possible, give at least twenty-four (24) hours' notice prior to layoff to the employees affected.

Hourly/Salary Transfer

(69) (a) Seniority employees transferred from the bargaining unit to a salaried position after the effective date of this agreement will have their bargaining unit status frozen for the duration of the assignment, during which time they will be considered to be in training for the salaried position and on a temporary or probationary status as a salaried employee. Either the Company or the employee may determine that the temporary assignment should be discontinued at any time during the one (1) year probationary period. If the employee is returned to his or her bargaining unit assignment during that one (1) year period, his or her bargaining unit rights will be reinstated. The employee may be placed on a job in accordance with the provisions of the

Seniority Section of this agreement, beginning with the last previous job the employee held in the bargaining unit. In no event shall such employee be transferred to a bargaining unit job at a time when the employee has insufficient seniority to be so placed. This provision will not result in displacing seniority employees and will not be used during periods when seniority employees are on layoff.

(b) Prior to the expiration of the one (1) year probationary period the Company will determine whether to offer the employee a permanent salaried position. If the employee is offered a permanent salaried position it shall be on the condition that if he or she accepts the position he or she shall permanently forfeit his or her right to return to the bargaining unit.

(c) If the employee is not offered a permanent salaried position he or she will be returned to the bargaining unit in accordance with the terms of the above Paragraph (69) (a). It is understood that an employee will not be offered more than one such transfer opportunity to a specific salaried position during the term of this agreement.

(70) Temporary employees will not be called back until all employees with seniority capable of doing the work have been called back; provided, however, that the application of this paragraph may be waived by written agreement between local Management and the Shop Committee with respect to Journeymen/women with seniority and employees-in-training-seniority (E.I.T.S.) who are on layoff from a skilled trades classification.

Overtime

(71) Extra work in periods of part time operation, and overtime, should be equalized among the employees in the group engaged in similar work, as far as practicable. Information concerning equalization of hours status will be openly displayed in the department in such a manner that the employees involved may check their standing. This provision shall not interfere with any mutually satisfactory local practice now in effect.

(71a) Required Overtime

During periods requiring extensive overtime, Management will inform the Union fourteen (14) days prior to implementation of required overtime plans. Required overtime may be implemented in all operations or specific areas as determined by management. Required overtime plans are as follows:

1. Plan A: Monday through Saturday at nine (9) hours per day with Sundays and Holidays as voluntary. An employee who has worked two or more consecutive Saturdays may decline to work the following (third) Saturday provided the employee shall have notified his or her Supervisor before the end of the shift on the preceding Wednesday and has not been absent for any reason during the week preceding the Saturday in question.

2. Plan B: Monday through Friday at ten (10) hours per day with Saturdays, Sundays and holidays as voluntary.
3. In both plans, the duration will not exceed 90 days with a minimum of 30 days between required periods.

Occupational Injury/Illness

(72) Employees who have been incapacitated at their regular work by injury or compensable occupational disease while employed by the Company, will be employed in other work on jobs that are operating in the plant which they can do without regard to any seniority provisions of this Agreement, except that such employees may not displace employees with longer seniority, provided, however, that by written agreement between local Management and Shop Committee, such employees may be placed or retained on jobs they can do without regard to seniority rules. Each three months the name, job classification and seniority date of employees covered by such agreement will be furnished to the Chairperson of the Shop Committee.

Special Employee Status

(73) The employment of the following persons shall not be governed by seniority rules: students and graduates of technical or professional schools and special employees receiving training as a part of a formal training course.

(73a) Seniority status of employees who have completed or discontinued cooperative training courses and who are assigned to hourly rated jobs in the bargaining unit for other than training purposes shall be as follows:

(1) An employee who has completed or discontinued a cooperative training course and who is assigned to an hourly rated job in the bargaining unit for other than training purposes shall have plant seniority established in keeping with Paragraph (57). Time spent in school shall not be considered as time worked in establishing the seniority date.

(74) To protect seniority, employees are responsible for keeping Management informed of their proper home address. Forms for this purpose shall be available from the employee's Supervisor and should be submitted to the employee's Supervisor when an employee changes address.

(74a) Within thirty (30) days following the last day of each calendar February, May, August and November, during the term of this Agreement, the Company shall give to the International Union the names of all employees covered by this Agreement together with their addresses as they then appear on the records of the Company. The International Union shall receive and retain such information in confidence and shall disclose it only to those officials of the Union whose duties require them to have such information.

(75) Provisions pertaining to shift preference may be negotiated locally. Such agreements and modifications or supplements thereto shall be reduced to writing and be subject to the approval of the Company and the International Union. Any such agreements must have sufficient flexibility to give full protection to efficiency of operations under all circumstances and conditions.

Disciplinary Actions

(76) Employees who have been disciplined by layoff or discharge will be furnished a brief written statement advising them of their right to representation and describing the misconduct for which they have been laid off or discharged and, in the case of a layoff, the extent of the discipline. Thereafter, they may request the presence of the Committeeperson for their district to discuss the case privately with them in a suitable office or other location by mutual agreement, before they are required to leave the plant. The Committeeperson will be called promptly upon such request. Whether called or not, the Committeeperson will be advised in writing within one working day of 24 hours of the fact of written reprimand, layoff or discharge and will be given a copy of the statement given to the employee. When a disciplinary layoff encompasses a holiday, the employee will not lose holiday pay, nor will holidays be counted as part of the layoff. The written statement furnished to the employee pursuant to the first sentence of this paragraph shall not limit Management's rights, including the right to rely on additional or supplemental information not contained in the statement to the employee.

(76a) When a written reprimand, layoff or discharge of an employee is contemplated, the employee, where circumstances permit, will be offered an interview to allow for answering the charges involved in the situation for which such discipline is being considered before being required to leave the plant. Employees who, for the purpose of being interviewed concerning discipline, are called to the plant, or removed from their work to the Supervisor's desk or to an office, or called to an office, will be advised that they may, if they so desire, request the presence of their District Committeeperson to represent them during such interview.

(76b) Employees will be tendered a copy of any warning, reprimand or disciplinary layoff entered on their personnel records, within three days of the action taken. In imposing discipline on a current charge, Management will not take into account any prior infractions which occurred more than three years previously nor impose discipline on employees for falsification of their employment applications after a period of twelve (12) months from their date of hire.

(76c) It is important that complaints regarding unjust or discriminatory layoffs or discharges be handled promptly according to the Grievance Procedure. Grievances must be filed within three working days of the layoff or discharge. Within two (2) working days after a grievance has been answered by higher supervision, pursuant to Paragraph (31) above, the specific charge will be discussed with designated representatives of Plant Management, the Chairperson of the Shop Committee, or designated representative, and another member of the Shop Committee or the district committeeperson who filed the grievance. If the grievance is not resolved, Plant Management will review and render a decision on the case within three (3) working days.

thereafter. In any event, Plant Management will render a decision on the case within ten (10) working days from the date the grievance is filed. If a Notice of Unadjusted Grievance is not submitted by the Shop Committee within five (5) working days of a decision of Plant Management, the matter will be considered closed.

Attendance and Corrective Action

(77) The Company and the International Union agree that the problem of unwarranted absenteeism must be addressed in a cooperative and constructive manner. Both parties recognize that unwarranted absences adversely impact quality, cost and efficiency and in so doing constitute a threat to the job security of all employees.

The parties also recognize that sometimes absenteeism is the result of personal or unforeseen problems in an employee's life and that such problems must be addressed in a reasonable and responsible manner.

Based on the foregoing the parties agree to adopt this Special Procedure for Attendance. This procedure is intended to encourage regular attendance through corrective discussion, formal discipline and the availability of the Employee Assistance program, while at the same time expecting employees to accept responsibility for their own attendance behavior.

Special Procedure for Attendance

(a) This procedure will apply to all employees who have acquired seniority pursuant to Paragraph (57) of this Agreement.

(b) This procedure is separate and distinct from the standard corrective disciplinary procedures. All instances of employee absence, as defined in paragraph (d) below, will be addressed through this procedure.

(c) The action taken by Management as a result of the corrective action steps of this procedure are subject to the Disciplinary Layoffs and Discharges Section of this Agreement and therefore, the Grievance Procedure Section of this Agreement. During the Paragraph (76a) interview associated with the corrective action steps, the employee will be advised of the special procedure for attendance and the availability of the Employee Assistance Program.

(d) Instances of absence subject to this procedure are defined as follows:

1. Single or consecutive days of absence without reasonable cause.
2. Tardiness of four (4) hours or more without reasonable cause.

(e) Instances of violations of the attendance procedure as defined above will be subject to the reasonable application of the Attendance Corrective Action Steps below:

Step	Absence/Instance	Action
1	First	First Written Warning
2	Second	Second Written Warning
3	Third	Referral to EAP Services and Balance of Shift Plus 3 Day Disciplinary Layoff
4	Fourth	Balance of Shift Plus 2 Week Disciplinary Layoff
5	Fifth	Balance of Shift Plus 30 Day Disciplinary Layoff
6	Sixth	Discharge

(f) This Special Procedure for Attendance will become effective on the Monday two weeks following the effective date of this Agreement.

Production Standards

(78) Production standards shall be established on the basis of fairness and equity consistent with the quality of work, efficiency of operations, and the reasonable working capacities of normal operators. Management has full authority to settle such matters.

(78a) After the time or the requirements for a normal operator to perform an element has been established and the element is subsequently changed because of engineering changes, a change in method, machinery, equipment, layout or tools, only the time or the requirements of the elements affected by such change will be adjusted.

(78b) If a standard is to be established on a new operation and has not been established when the operation is placed in production, the operator will be advised of the reason for not establishing the standard and the expected requirements of the operation.

(79) When a dispute arises regarding standards established or changed by the Management, the complaint should be taken up with the supervisor. If the dispute is not settled by the supervisor or if the complaint is not taken up by the employee with the supervisor, the committee person for that district shall, upon reporting to the supervisor of the department involved, examine the job to determine the merits of the complaint. The employee may then file a grievance. The supervisor or the time study person will furnish the committee person with all of the facts of the case. If there is still a dispute after this examination has been completed, the committee person may then re-examine the operations in detail with the supervisor or the time study person. The committee person will, upon request, be given in writing the work elements of the job without undue delay. When available, the cycle time or other pertinent data that is relevant to the dispute will be provided in writing upon request; however, it is mutually recognized that it would be impractical to provide this information during periods of production acceleration. If the matter is

not adjusted at this stage, it may be further appealed as provided in the procedure below. If the dispute is settled at any stage of this procedure, the parties to the settlement will, upon request of either party, specify in writing what the elements are that constitute the job as settled and this information will be initialed and dated by the parties.

(79a) After the supervisor has had reasonable time to consider a grievance filed claiming violation of Paragraph (78), which shall be not more than two working days, an answer to the grievance shall thereafter be given:

(1) Within one working day after requested to do so by the committee person, or

(2) In any event after ten (10) working days of the date the grievance was filed with the supervisor.

The above time limits may be extended by mutual agreement.

(79b) If the case is not adjusted by the supervisor, it may, within three (3) working days of the supervisor's written answer, be appealed by the Shop Committeeperson for the Zone, or another member of the Shop Committee or the Chairperson of the Shop committee to the next step, as provided below, by giving written notice to the Labor Relations.

(79c) Within three (3) working days of receipt of the appeal, the case will be considered at a Special Step of the Grievance Procedure by not more than three representatives of the Union, including the District Committeeperson, the Shop Committeeperson for the zone or another member of the Shop Committee, and the Chairperson of the shop Committee, and not more than three representatives of Management, at least one of whom shall be a member of higher supervision.

In the multi-shift operations, the District Committeeperson or the Shop Committeeperson from the opposite shift(s) may, by mutual agreement, attend the Special Step Meeting when a standards dispute exists on the same operation on more than one shift. An additional representative of management may also attend the Special Step Meeting in these situations. The schedule for such meetings will be established at a time mutually convenient to the participants.

(79d) After a case is appealed to the Special Step and prior to the meeting on the case at that step, a member of the Shop Committee who will participate in the Special Step meeting may make a further investigation of the case as provided in Paragraph (34).

(79e) Within five (5) working days of this Special Step meeting, higher supervision will give a written answer. If the case is not settled at this step, the Chairperson of the Shop Committee may, within three working days appeal the case by submitting to Management a "Notice of Unadjusted Grievance." Thereafter the case will be handled in accordance with Step Three of the Grievance Procedure Section, except that "Statements of Unadjusted Grievance" need not be exchanged and the 30-day time limit for "notice of Appeal" by the Regional Director, referred to in Paragraph (38), shall run from the date of the answer given by Management at the Special Step

of the Grievance Procedure. Plant entry as provided in Paragraph (38) may be made after the "Notice of unadjusted Grievance" has been filed and before the Appeal Meeting.

(79f) The time limits specified above may be extended by mutual agreement in writing. Any case not appealed from one step of this procedure to the next within the time limits specified will be considered closed on the basis of the last decision given.

(79g) After a production standards grievance is filed on a job, the Committeeperson representing the employee who filed the grievance will be informed in writing of any change in work content which results in an increase or decrease in work content or which is made in an attempt to adjust the grievance.

(79h) In the event a standard has not been established on a job, an employee who is following the prescribed method and using the tools provided in the proper manner and performing at a normal pace, will not be disciplined or transferred for failure to obtain an expected amount of production on that job or for filing a grievance under this Paragraph (79).

(79i) If a production standards grievance is settled in writing and the employee who signed the grievance is subsequently replaced by another employee and if, thereafter, additional work is added to the job without any other change having occurred which affects the job, the District Committeeperson may initiate a grievance alleging that the additional work constitutes a violation of that settlement.

Call-In Pay

(80) Any employee called to work or permitted to come to work without having been properly notified that there will be no work, shall receive a minimum of four hours' pay at the regular hourly rate, except in cases of labor disputes, or other conditions beyond the control of the Management.

Working Hours

(81) For the purpose of computing overtime premium pay, the regular working day is eight hours and the regular working week is forty hours.

(82) Employees will be compensated on the basis of the calendar day (midnight to midnight) on which their shift starts working, for the regular working hours of that shift. Their working week shall be a calendar week beginning on the Monday at the regular starting time of the shift to which they are assigned.

(83) Hourly employees will be compensated as follows:

(84) Straight Time

(a) For the first eight hours worked in any continuous twenty-four hour period, beginning with the starting time of the employee's shift.

(b) For the first forty hours worked in the employee's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.

(c) For time worked during the regular working hours of any shift which starts on the day before and continues into a specified holiday or a Saturday.

(85) Time and One-Half

(a) For time worked in excess of eight hours in any continuous twenty-four hours, beginning with the starting time of the employee's shift, except if such time is worked on a Sunday, or a holiday when double time will be paid as provided below.

(b) For time worked in excess of forty hours in the employee's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.

(c) For time worked on any shift which starts on Saturday.

(86) Double Time

For time worked during the first eight (8) hours worked on any shifts that start on Sundays and on each holiday specified in Paragraph (203); for time worked on the calendar Sunday or specified holiday in excess of the first eight (8) hours worked on any shift that starts on Sunday or one of the specified holidays; and for time worked on a Sunday or specified holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into Sunday or one of the specified holidays.

(87) Exceptions to Above Overtime Payments

I. Employees working in necessary continuous seven-day operations whose occupations involve work on Saturdays and Sundays shall be paid time and one-half for work on these days only for time worked in excess of eight hours per day or in excess of forty hours in the employee's working week, for which overtime has not already been earned, except as otherwise provided in Paragraph A. below.

A. Such employees shall be paid time and one-half for hours worked on the employee's sixth work day in the week.

B. Such employees shall be paid double time for hours worked on the 7th work day in the calendar week if the 7th work day results from being required to work on their scheduled off day(s) in that calendar week, or for hours worked on a Sunday if that Sunday is their second scheduled off day in that calendar week.

C. Such employees will be paid double time and one-half (2.50 times straight time) for the first eight (8) hours worked on any shift that starts on any of the holidays listed in Paragraph (203); for time worked on the calendar holiday in excess of the first eight (8) hours worked on any shift that starts on any such holiday; and for time worked on the calendar holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into any such holiday; provided, however, that if the particular holiday falls on their regularly scheduled off day(s) and they receive holiday pay pursuant to Paragraph (206) of this Agreement, they will be paid double time instead of double time and one-half for such hours worked. In the case of the employees who work 6 or 7 days during the work week, the first 8 hours worked at double time and one-half or double time, as the case may be, on shifts starting on such holidays shall be counted in computing overtime for work in excess of 40 hours in their working week.

D. Such employees will be paid time and one-quarter (1.25 times straight time) for hours worked on the 7th work day in the calendar week, unless such hours are payable at an overtime premium rate under any other provision of this Agreement.

E. If such employees receive holiday pay pursuant to Paragraph (206) for a particular holiday on which they do not work, that holiday will be counted as a day worked for the purpose of computing sixth or seventh day premium under subparagraphs A., B. and D. above.

F. Such employees shall be paid an additional twenty-five cents (25¢) per hour for time worked, which shall be included in computing vacation entitlement pay, holiday pay, bereavement pay, jury duty pay, short-term military duty pay, overtime and night shift premium, as well as Independence Week Shutdown Additional Time Off pursuant to Paragraph (202)(c).

2. Premium payments shall not be duplicated for the same hours worked under any of the terms of this Section.

Change in Shift Hours

(88) Any change in the established shift hours or lunch period shall be first discussed with the Shop Committee as far in advance as possible of any such change; however, if the length of an employee's established lunch period is extended on a temporary basis for a given day, the net amount of time by which the lunch period is so extended shall be considered as time worked for that day. Complaints of repeated violations of this paragraph will be handled under the provisions of Paragraph 5 of this Agreement.

Night Shift Premiums

(89) A night shift premium on night shift earnings, including overtime premium pay, will be paid to employees for time worked on shifts scheduled to start in accordance with the following chart:

Scheduled Shift Starting Time	Amount of Shift Premium
(1) On or after 11:00 a.m. and before 7:00 p.m.	Five per cent
(2) On or after 7:00 p.m. and on or before 4:45 a.m.	Ten per cent
(3) After 4:45 a.m. and before 6:00 a.m.	Ten per cent until 7:00 a.m.

When employees covered by (1) above are scheduled and work more than nine hours and until or beyond 2:00 a.m. they shall be paid ten per cent for the hours worked after 12 midnight.

When employees whose normal shifts begin on or after 6:00 a.m. and before 11:00 a.m. are scheduled and work twelve (12) or more hours, they shall be paid a five (5) percent shift premium for all hours worked in excess of eight (8).

In applying the above night shift premium provisions, employees shall be paid the premium rate, if any, which attaches to the shift they work on a particular day.

Special Three-Shift Operations

(89a) This paragraph is not intended to change any present practice, or preclude the readoption of a prior practice, whereby it is possible to schedule certain operations on a three-shift, eight hours of work per shift basis with special provisions for lunch. Where it is not possible or practicable on three-shift operations to establish schedules of 8 hours of work each shift, work shifts will be established on the basis of arrangements for a lunch period not in excess of 20 minutes being provided during the shift period without loss of pay.

The above provisions shall not preclude necessary temporary variations in schedules.

The above provisions shall not be applicable in any plant located in a state wherein a statute or administrative ruling requires the granting or establishment of lunch or meal periods of more than 20 minutes.

Union Work Centers

(90) The Shop Committee and Labor Relations will determine the number, location and furnishings of Union Work Centers. The centers will be used to conduct bona fide Union business including: Zone and District Committee person meetings, grievance procedure investigation, benefit representatives, health and safety representative, apprentice representative. It is understood the following conditions will prevail:

1. Usual office type equipment will be provided by the Union.
2. The function of the facility will be prominently displayed.

3. The windows of the Work Center will not be covered or obscured in any manner.
4. Non-duplicated keys will be provided to the individuals identified by the Shop Committee and Labor Relations requiring access.

Union Bulletin Boards

(91) Bulletin boards will be provided for use by the Union for posting notices bearing the written approval of the President of the Local Union or the Chairperson of the Shop Committee and restricted to:

1. Notices of Union recreational and social affairs.
2. Notices of Union elections.
3. Notices of Union appointments and results of Union elections.
4. Notices of Union meetings.
5. Notices concerning bona fide Union activities such as: Cooperatives; Credit Unions; and Unemployment Compensation information.
6. Other notices concerning union affairs which are not political or controversial in nature.

(91a) The Union will promptly remove from such Union bulletin boards, upon the written request of management, any material which is libelous, scurrilous, or detrimental to the labor-management relationship.

(92) Bulletin boards shall be placed at the following locations:

Plant 8	Plant 5	Evansville AERO	AMPS SCO
Bay C-20	Bay E-22		
Bay G-38	Bay X-18		
Powerhouse	Bay O-15		
	E Cafeteria		
	Bay Y-16		
	Powerhouse		

(93) Racks will be provided at the appropriate plant entrances for use in distributing literature to employees who are leaving the plant. Their use will be limited to the display of official publications of the Local Union and International union as certified to Management by the President of the Local Union, the Shop Chairperson or the International Representative prior to the placement of such material in the racks by the Union.

(94) The Union agrees to indemnify the Company against any and all actions, charges, claims, damages or losses of any kind or nature whatsoever resulting from, arising out of, based upon, or attributable to any material posted on bulletin boards or placed in racks that have the written approval of the President of the Union, Chairperson of the Shop Committee or the International Representative.

(95) There shall be no other posting by employees, of pamphlets, advertising or political matter, notices, or any kind of literature upon Company property other than as herein provided.

Relocation

(96) For twenty-four months after production begins in a new plant (including a non-represented plant), the Company will give preference to the applications of laid off employees having seniority in other plants over applications of individuals who have not previously worked for the Company, provided their previous experience in the Company shows that they can qualify for the job. When employed, such employees will have the status of temporary employees in the new plant. Such employees will retain their seniority in the plant where originally acquired until broken in accordance with the seniority rules herein.

(96a) When there is a transfer of major operations between plants, the case may be presented to the Company and, after investigation, it will be reviewed with the International Union in an effort to negotiate an equitable solution, in accordance with the principles set forth in the previous paragraph. Any transfer of employees resulting from this review shall be on the basis that such employees are transferred with full seniority, except as the parties may otherwise mutually agree.

(96b) Employees relocating to or from one of the facilities covered by this agreement or in accordance with the above Paragraphs (96) or (96a) may be eligible to receive Relocation Allowance. An employee laid off from such facility and recalled to an Indianapolis facility or an employee laid off from an Indianapolis facility and recalled to originating facility may be eligible for the following relocation amount:

Mileage	Relocation Allowance Amount
50-99	\$2,563
100-299	\$2,824
300-499	\$2,962
500-999	\$3,499
1000+	\$4,022

Wages

(97) The establishment of wage scales for each operation is necessarily a matter for local negotiation and agreement between the Plant Management and the Shop Committee. In addition, wage payment plans are also a matter of local negotiation between the Plant Management and the Shop Committee, subject to appeal in accordance with the Grievance Procedure.

(98) New employees hired on or after the effective date of this Agreement shall be hired at a rate equal to seventy (70) percent of the maximum base rate of the job classification. Such employees shall receive an automatic increase to:

- (1). seventy-five (75) percent of the maximum base rate of the job classification at the expiration of twenty-six (26) weeks.
- (2). eighty (80) percent of the maximum base rate of the job classification at the expiration of fifty-two (52) weeks.
- (3). eighty-five (85) percent of the maximum base rate of the job classification at the expiration of seventy-eight (78) weeks.
- (4). ninety (90) percent of the maximum base rate of the job classification at the expiration of one hundred and four (104) weeks.
- (5). ninety-five (95) percent of the maximum base rate of the job classification at the expiration of one hundred and thirty (130) weeks.
- (6). the maximum base rate of the job classification at the expiration of one hundred and fifty-six (156) weeks.

Periods of absence that are contractually excused will be counted as time worked for purposes of administering the automatic raises cited herein.

Such an employee who is laid off prior to acquiring seniority and who is re-employed within one year from the last day worked prior to layoff shall receive a rate upon re-employment which has the same relative position to the maximum base rate of the job classification as had been attained by the employee prior to layoff. Upon such re-employment, the credited rate progression period of an employee's prior period of employment at that plant shall be applied toward their rate progression to the maximum base rate of the job classification.

For the purpose of applying the provisions of the above Paragraph (98), (98)(a), and (98)(b) only, an employee will receive one week's credit toward acquiring the maximum base rate of the job classification provided the employee had worked in that given week. Credit will not be given for any week during which for any reason, the employee does not work except as provided in Paragraph (108), or when the employee is absent for contractually excused reasons, or when the Christmas Holidays consists of a full week provided the employee would otherwise have been scheduled to work. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of weeks of employment.

(98a) Laid off seniority employees hired in a job classification other than skilled trades, shall receive a base rate upon re-employment which has the same relative position to the maximum base rate of the job classification they had attained prior to layoff. Such employees shall continue to be covered by the rate progression provisions in effect during their prior Company employment. Upon such re-employment, the credited rate progression period of the employees' prior period of employment shall be applied toward their rate progression to the maximum base rate of the job classification.

(98b) New employees rehired under the provisions of Paragraph (65) or (66) 3. on or after the effective date of this Agreement, shall receive a base rate upon re-employment which has the same relative position to the maximum base rate of the job classification they had attained in their prior employment. Upon such re-employment, the credited rate progression period of the employees' prior period of employment shall be applied toward their rate progression to the maximum base rate of the job classification.

(99) The foregoing Paragraph (98), (98a) and (98b), shall not apply to job classifications covered by the Skilled Trades section of this Agreement.

(100) It is understood that the local wage agreement consists of the wage scale by job classifications as were in effect in the local wage agreement as of the effective date of this Agreement, plus any written changes, additions or supplements thereto. Any changes, additions or supplements thereto shall be reduced to writing and are subject to the approval of the Company and the International Union.

General Increases

(101) General increases. Each employee covered by this agreement shall receive a wage increase in the employee's straight time hourly wage rate of 3 percent (3%) effective February 28, 2000, February 26, 2001, February 25, 2002, and February 23, 2004.

Up-front Lump Sum Bonus

(101a) Up-front Lump Sum Bonus. Effective on the normal payroll date seven (7) days following the effective date of this Agreement each active employee covered by this Agreement (as defined in Document 92 of this Agreement) shall receive a lump sum payment of \$1,250.00.

Skilled Trades Tool Allowance

Effective February 26, 2000, each employee in a skilled trades job classification which qualifies for journeyman status under the provisions of Paragraph (178) of this Agreement shall receive a tool allowance adjustment of ten cents (10¢) per hour added to the base rate, except each employee in a "Skilled" Apprentice job classification shall receive that wage increase, if any, which is applicable in accordance with the provisions of the Apprentice Rate Schedule set forth in Paragraph (151) of the Agreement. Subsequent tool allowances of ten (10) cents per hour will be added to the base rate the first pay period following the anniversary date of this agreement in the years 2001, 2002, 2003 and 2004.

Performance Bonus

(101b) Performance Bonus Payments. The Performance Bonus provided herein recognizes that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective. Accordingly, a Performance Bonus payment will be made to each eligible employee in accordance with the following table:

Eligibility Date	Amount	Payable During Week Ending
March 3, 2003	3.0 percent (%) of Qualified Earnings	March 30, 2003

An employee shall become eligible for a Performance Bonus payment as hereinafter defined, provided an employee has seniority as of each designated eligibility date set forth above.

An employee's Performance Bonus will be based on the qualified earnings during the 52 consecutive pay periods immediately preceding the pay period in which each designated eligibility date falls.

Qualified Earnings, as used herein, are defined as income received by an eligible employee from Rolls-Royce Allison during each designated Performance Bonus eligibility year resulting from the following:

- Hourly Base Wages*
- COLA*
- Shift Premium*
- Vacation Entitlement
- Independence Week (Paragraph 202c)
- Holiday Pay
- Seven-Day Operator Premium
- Bereavement Pay
- Jury Duty Pay
- Apprentice Pay
- Call-In Pay
- Short Term Military Duty Pay
- Back pay awards related to the designated eligibility year.

*Including overtime, Saturday, Sunday, and Holiday premium payments.

(101b)(1) An employee who retires during the Performance Bonus eligibility year provided in (101b) and who, but for such retirement, would have had seniority as of the designated eligibility date, shall qualify for the Performance Bonus as defined in (101b).

(101b)(2) In the case of employees who die during the Performance Bonus eligibility year, a Performance Bonus shall become payable as if they were seniority employees on the designated eligibility date and calculated based on their Qualified Earnings during the eligibility year as defined in (101b) above. Such Performance Bonus shall be paid to their duly appointed legal representatives, if there be one, and, if not, to the spouses, parents, children, or other relatives or dependents of such persons as the Company in its discretion may determine.

Cost of Living Allowance

(101c) Cost of Living Allowance. Each employee hired on or before the effective date of this Agreement shall receive a Cost of Living Allowance in accordance with the provisions of Paragraphs (101f) and (101g).

Employees hired or rehired after the effective date of the Agreement shall receive the Cost of Living Allowance amount effective during the three-month period in which they are hired until their first base rate adjustment. Effective with that adjustment and concurrent with each subsequent base rate adjustment, employees shall have their Cost of Living Allowance amount changed to the then current Cost of Living Allowance payable as specified in Paragraph (101g).

It is agreed that only the Cost of Living Allowance will be subject to reduction so that, if a sufficient decline in the cost of living occurs, employees will immediately enjoy a better standard of living.

(101d) The Cost of Living Allowance provided for in Paragraph (101c) shall be added to each employee's hourly wage rate and will be adjusted up or down as provided in Paragraphs (101f) and (101g).

(101e) The Cost of Living Allowance will be determined in accordance with changes in the official Consumer Price Index for Urban Wage Earners and Clerical Workers (revised, CPI-W) (United States City Average) published by the Bureau of Labor Statistics. The BLS's CPI-W (1967=100) reference base will be used to determine the Cost of Living Allowance.

(101f) During the period of this Agreement, adjustments in the Cost of Living Allowance shall be made at the following times:

Effective Date of Adjustment March 6, 2000	Based Upon Three- Month Average of the Consumer Price Index For:
March 6, 2000	November and December 1999, January 2000
First pay period beginning on or after June 1, 2000, and at three-calendar month intervals thereafter to December 5, 2004.	February, March and April 2000 and at three-calendar month intervals thereafter to August, September and October, 2004.

In determining the three-month average of the Indexes for a specified period, the computed average shall be rounded to the nearest 0.1 Index Point.

In no event will a decline in the three-month average Consumer Price Index below 457.9 provide the basis for a reduction in the wage scale by job classification.

(101g) Effective March 6, 2000 and for any period thereafter as provided in Paragraphs (101d) and (101g), the Cost of Living Allowance shall be in accordance with the following table:

Three-Month Average Consumer Price Index	Cost of Living Allowance
457.9 or less	None
458.0-458.1	1¢ per hour
458.2-458.4	2¢ per hour
458.5-458.6	3¢ per hour
458.7-458.9	4¢ per hour
459.0-459.2	5¢ per hour
459.3-459.4	6¢ per hour
459.5-459.7	7¢ per hour
459.8-459.9	8¢ per hour
460.0-460.2	9¢ per hour

And so forth with 1¢ adjustment for each 0.26 change in the Average Index and will be calculated in accordance with the Letter of Understanding signed by the parties continuing through the adjustment effective in December 2004. If the existing Cost of Living Allowance exceeds \$0.12 on March 3, 2003, it will be reduced to \$0.12. Any difference between the existing amount and \$0.12 shall be added to the base wage rates (minimum, intermediary and maximum) for each day work classification in effect on that date, for pay calculation purposes.

(101h) The amount of any Cost of Living Allowance in effect at the time shall be included in computing overtime premium, night shift premium, vacation payments, Independence Week (Paragraph 202c) holiday payments, call in pay, bereavement pay, jury duty pay, and short term military duty pay.

(101i) In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Index on or before the beginning of one of the pay periods referred to in Paragraph (101f) any adjustments in the Cost of Living Allowance required by such appropriate Index shall be effective at the beginning of the first pay period after receipt of the Index.

(101j) No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures used in the calculation of the Consumer Price Index for any month or months specified in Paragraph (101f).

(101k) The parties to this Agreement agree that the continuance of the Cost of Living Allowance is dependent upon the availability of the monthly Consumer Price Index published by the Bureau of Labor Statistics in its present form and calculated on the same basis as the Index for July, 1996 unless otherwise agreed upon by the parties. If the Bureau of Labor Statistics changes the form or the basis of calculating the Consumer Price Index, the parties agree to request such agency to make available, for the life of this Agreement, a monthly Consumer Price Index in its present form and calculated on the same basis as the Index for July, 1996.

New Jobs

(102) When new jobs are placed in production and cannot be properly placed in existing classifications by mutual agreement, Management will set up a new classification and a rate covering the job in question, and will designate it as temporary. A copy of the temporary rate and classification name will be furnished to the Shop Committee.

(102a) As soon as possible after machinery and other equipment have been installed, and in any event, within 30 calendar days after a production employee has been placed on the job, the Shop Committee and Management shall negotiate the rate and classification, and when negotiations are completed, such classification and rate shall become a part of the local wage agreement, and the negotiated rate, if higher than the temporary rate shall be applied retroactively to the date the production employees started on the job, except as otherwise mutually agreed.

LEAVES OF ABSENCE

Informal Leaves of Absence

(103) A leave of absence may be granted for personal reasons for a period not to exceed thirty days, upon application of employees to and approval by their respective supervisors. Such leaves of absence shall not be renewed and seniority will accumulate during the leave.

Formal Leave of Absence for Personal Reasons

(104) Employees requesting formal leave of absence shall first make application in writing to the Personnel Department on the form provided. Such leave of absence will be granted to:

employees for not more than ninety days on approval of the Local Management when the services of the employees are not immediately required and there are employees available in the plant capable of doing their work. A formal leave of absence may be granted under the foregoing conditions for not more than 150 days provided that employees do not work in any occupation for their own gain during such leave of absence unless mutually agreed by the Company and the Union. A formal leave of absence may be granted under the foregoing conditions for a period exceeding 150 days but not to exceed 180 days if required for the purpose of traveling to a foreign country.

(105) Such leaves of absence may be extended but the approval of the Manager of the Plant, or designated representative, is required in such cases. Seniority will accumulate during the period of formal leave of absence. Such formal leaves of absence will not be granted to employees who are laid off, and will not be extended for employees who would have been laid off had they been working during their leave.

(105a) Subject to the provisions of Paragraphs (104) and (105), a formal leave of absence may be granted to employees for service in the Peace Corps, and, if circumstances require, the duration of the original leave may be for a period up to thirty months.

Sick Leave of Absence

(106) Employees who are known to be ill supported by satisfactory evidence, will be granted sick leave automatically for the period of continuing disability. Except as otherwise provided in Paragraph (111)(c), seniority of such employees shall accumulate during sick leave and shall be broken, figured from the date the sick leave started, on the same basis as provided in Paragraph (64) for laid-off employees breaking seniority. Not later than thirty (30) calendar days prior to such loss of seniority, Management will send a letter to each affected employee's last known address as shown on the Company records reminding them of the fact that their seniority is subject to being broken as provided above. A copy of such letter will be furnished promptly to the Chairperson of the Shop Committee. However, failure through oversight to send this letter to such employees or furnish a copy to the Chairperson of the Shop Committee will not be the basis for any claim.

(107) Temporary employees without seniority shall not receive credit for time off sick toward the ninety (90) days of employment required to acquire seniority, except as provided in Paragraph (108) and Paragraph (58a) and in no case shall a temporary employee's name be placed on the seniority list while away from work on sick leave.

(108) An employee who has sustained a legal compensable injury or occupational disease and has accrued three (3) or more years of seniority at the commencement of such injury or disease shall be automatically granted a compensable leave for the full period the employee is not working due to the compensable injury and is receiving Worker's Compensation Benefits under a State or Federal Worker's Compensation Law. The employee will continue to accrue seniority for the full period of such leave.

An employee who has sustained a legal compensable injury or disease with less than three (3) years of seniority at the commencement of such injury or disease shall be granted a compensable leave for the full period the employee is not working due to the compensable injury and is receiving Worker's Compensation Benefits under a State or Federal Worker's Compensation Law. The employee will continue to accrue seniority for the full period of temporary disability. In the event that such disability of an employee with less than three (3) years of seniority is determined to be permanent by the appropriate State or Federal Authority, the Company shall have the right to convert the status of such employee to a Paragraph 106 Leave as of the date of such determination. In the event of such conversion, Management will send written notification of the employee's change in status to the affected employee's last known address as shown on the company records. A copy of such letter will be furnished promptly to the Chairperson of the Shop committee. However, failure through oversight to send this letter to such employees will not be a basis for any claim.

Temporary employees disabled by a compensable injury shall be given credit for the period of such legal temporary disability toward acquiring seniority.

Leave of Absence for Union Activity

(109) Employees elected to a permanent office in, or as a delegate to, any labor activity necessitating a leave of absence, shall be granted such leave for a minimum of the first half or the second half of their shift and not to exceed one year and shall, at the end of the term in the first instance, or at the end of the mission in the second instance, be guaranteed reemployment if there is sufficient work for which they are in line at the then current rate of pay. Written notice for such leaves, giving the length of leave, shall be given to Management as far in advance as possible but in no event later than the day prior to the day such leave is to become effective. Seniority will accumulate during the period of such leaves.

(109a) Leaves of absence may be granted to employees for other Union activities and seniority shall accumulate during such leaves. Such leaves will be granted only when requests are made in writing to the Vice President of Human Resources of Allison Engine Company by the President of the International Union or the head of the department of the International Union at Detroit which handles matters under this Agreement.

Leave of Absence for Public Office

(110) Employees with seniority elected to public office may make written application for a leave of absence for the period of their first term of active service in such elective office. Additional leaves of absence for service in elective public office may be granted at the option of Management upon written application by such employee.

(110a) Employees with seniority who are appointed to a position as administrative assistant in a Congressional or Senatorial office, or to an administrative position in a State Agency, or as a Labor Representative on a Community Agency, or to a non-civil service governmental position which is not generally available to an applicant for employment, or as a full time officer in a

credit union, may make written application for a leave of absence for the period of their active service in such position, not to exceed one year. Such leave may be renewed at the option of Management upon written application by such employee.

(110b) Employees granted a leave of absence under Paragraph (110) or (110a), shall be guaranteed reemployment, at the then current rate of pay, if there is sufficient work available which they are capable of doing and to which they may be entitled on the basis of seniority. Seniority will accumulate during the period of such leaves.

General

(111) All of the above leaves of absence including sick leaves are granted subject to the following conditions.

(a) Employees on leave may return to work in line with their seniority before the expiration of their leave providing not less than seven (7) days' notice is given to Management. The return within the seven day period is at the option of Management. Employees who fail to return to work in accordance with the notice as given shall be considered as having voluntarily quit unless they have a satisfactory reason.

(b) Employees who fail to report for work within three working days after the date of expiration of the leave, shall be considered as having voluntarily quit unless they have a satisfactory reason; provided, however, that in the case of failure to report for work within three working days after the expiration of leaves of absence granted under Paragraphs (104), (105), (109), (109a), (110), (110a) and (113), and in the case of leaves of absence granted under Paragraph (106) where management has refused to grant a requested-renewal of the leave, Management will send clear written notification to such employees' last known address as shown on the Company records, that their seniority has been broken and that it can be reinstated, if, within three specified working days after delivery or attempted delivery of such notice, they report for work or properly notify Management of their absence. A copy of such Management notification will be furnished promptly to the Chairperson of the Shop Committee. If such employees comply with the conditions set forth in the notification, their seniority will be reinstated if it has not otherwise been broken; however, such reinstatement shall not be construed as limiting the application to their cases of the Shop Rule regarding absence without reasonable cause.

(c) If upon the expiration of a leave of absence there is no work available for employees in line with their seniority, or if they would otherwise have been subject to layoff according to seniority during the period of the leave, the period which breaks seniority shall start from the date of expiration of the leave, or in the case of a leave of absence under Paragraph (106), Paragraph (113), or Paragraph (113a), the period which breaks seniority shall start from the date such employee would otherwise have been laid off.

Leave of Absence for Military Service

(112) Employees who enter either active or inactive training duty or service in the Armed Forces of the United States will be given a leave of absence subject to the conditions herein. Upon submission of satisfactory proof of pending induction for active service, such employees may arrange for the leave to begin up to thirty days prior to the induction date. The leave shall not exceed the term of the initial enlistment and one (1) consecutive re-enlistment. In no event will the period of such leave exceed a total of eight (8) years, except when additional service is involuntary. Seniority will accumulate during the period of such leave. Upon termination of such leave, employees shall be offered re-employment in their previous position or a position of like seniority, status and pay, unless the circumstances have so changed as to make it impossible or unreasonable to do so, in which event they will be offered such employment in line with their seniority as may be available which they are capable of doing at the current rate of pay for such work, provided they meet the following requirements:

1. Have not been dishonorably discharged.

2. Are physically able to do the work.

3. Report for work within ninety days of the date of such discharge, or ninety days after hospitalization continuing after discharge.

(112a) The seniority of any employee who fails to report for work within the times specified in Paragraph (112)(3) shall be automatically broken, unless the employee gives a satisfactory reason for such failure to report.

(112b) As used in this paragraph, "Armed Forces of the United States" is defined as and limited to the United States Army, Air Force, Navy, Marine Corps, Coast Guard, National Guard, Air National Guard or any reserve component thereof.

(112c) Employees with seniority who are spouses of employees who enter active duty service in the Armed Forces of the United States and who obtain a leave of absence in accordance with Paragraph (112), may make written application to the Personnel Department for a leave of absence for the period of the spouse's initial enlistment but in no event to exceed four (4) years. Such leaves may be granted by Management and will be subject to the conditions set forth in Paragraph (111). Seniority will accumulate during the period of such leaves.

(112d) Employees with seniority in any Allison Engine Company plant who are called to and perform short-term active duty of thirty (30) days or less, including annual active duty for training, as a member of the United States Armed Forces Reserve or National Guard, shall be paid as provided below for days spent performing such duty provided they would not otherwise be on layoff or leave of absence.

1. A payment will be made for each day, except for a day for which they receive holiday pay, which they would otherwise have worked equal to the amount by which their straight time rate of pay as of their last day worked plus applicable night shift premium (but not including overtime) for not more than eight (8) hours, exceeds their

military earnings for that day including all allowances except for rations, subsistence and travel. Except for short term active duty of thirty (30) days or less performed by employees called to active service in the National Guard by state or federal authorities in case of public emergency, payment is limited to a maximum of fifteen (15) working days in a calendar year.

2. In order to receive payment under this Paragraph (112d), employees must give local Management prior notice of such military duty and, upon their return to work, furnish Management with a statement of the military pay received for performing such duty.

Educational Leave of Absence

(113) Employee veterans who have acquired seniority and other employees with seniority of one or more years who desire to further their education, may make application for a leave of absence for that purpose.

One continuous leave of absence for such education will be granted to eligible employees for a period not to exceed twelve months, subject to the conditions set forth in Paragraph (111) of this Agreement. Additional leaves of absence may be granted by Management. Except as otherwise provided in Paragraph (111)(c), seniority shall accumulate during such leaves of absence.

Leaves of Absence for Service in Allison Engine Company Plants

(113a) Employees whose services, because of conditions made necessary by the National Defense of the United States, are needed by the Management in a plant of the Company other than the plant in which they have established their seniority and who accept such employment, will be given a leave of absence from the plant in which they have their seniority for the period their services may be required in such other plant and shall accumulate seniority in the plant from which they have been given a leave of absence, during the full period of such leave.

If such employees desire to return to employment in the original plant or when the Management of the defense plant no longer requires their services, such employees may return to the original plant in which they have seniority, in accordance with their seniority status, to their former or similar jobs.

(114) An approved copy of any written leave of absence granted under the Leaves of Absence Section will be furnished to the employee.

STRIKES, STOPPAGES AND LOCKOUTS

(115) It is the intent of the parties to this Agreement that the procedures herein shall serve as a means for peaceable settlement of all disputes that may arise between them.

(116) During the life of this Agreement, the Company will not lock out any employees until all of the bargaining procedure as outlined in this Agreement has been exhausted and in no case on which the Umpire shall have ruled, and in no other case on which the Umpire is not empowered to rule until after negotiations have continued for at least five days at the third step of the Grievance Procedure. In case a lockout shall occur the Union has the option of canceling the Agreement at any time between the tenth day after the lockout occurs and the date of its settlement.

(117) During the life of this Agreement, the Union will not cause or permit its members to cause, nor will any member of the Union take part in any sit-down, stay-in or slow-down, in any plant of the Company, or any curtailment of work or restriction of production or interference with production of the Company. The Union will not cause or permit its members to cause nor will any member of the Union take part in any strike or stoppage of any of the Company's operations or picket any of the Company's plants or premises until all the bargaining procedure as outlined in this Agreement has been exhausted, and in no case on which the Umpire shall have ruled, and in no other case on which the Umpire is not empowered to rule until after negotiations have continued for at least five days at the third step of the Grievance Procedure and not even then unless authorized by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, and written notice of such intention to authorize has been delivered to Labor Relations at least five (5) working days prior to such authorization. The Union will not cause or permit its members to cause or will any member of the Union take part in any strike or stoppage of any of the Company's operations or picket any of the Company's plants or premises because of any dispute or issue arising out of or based upon the provisions of the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section, nor will the Union authorize such a strike, stoppage, or picketing. In case a strike or stoppage of production shall occur, the Company has the option of canceling the Agreement at any time between the tenth day after the strike occurs and the day of its settlement. The Company reserves the right to discipline any employee taking part in any violation of this Section of this Agreement.

SKILLED TRADES

Apprentices

(118) This Section is applicable to apprentices in the plants of the Company covered by this Agreement.

(119) Paragraphs (63a) and (63b) shall not apply to apprentices nor to openings or vacancies in apprentice classifications.

(120) The following paragraphs shall not be applicable to apprentices:

(70)

Skilled Trades and Apprentice Committee

(121) An Apprentice Committee composed of two (2) Union members and two (2) Management members shall be established in each plant in which apprentices are employed. The International Union shall appoint journeypersons from the plant as members of the Apprentice Committee, one of whom shall be designated as the Chairperson of the Union members of the Apprentice Committee. Management shall notify the Union of its members, one of whom shall be designated the Apprentice Coordinator.

(122) The Apprentice Committee shall meet at a mutually agreed-upon time at least once each 30 days, unless otherwise agreed to extend the time between meetings. Apprentice Committeepersons will be paid their regular rates for time spent in such meetings and for the necessary time to properly perform their duties and functions provided for in Paragraph (123) for the hours they would otherwise have worked in the plant. Minutes of such meetings will be furnished to the Union members of the Apprentice Committee within seven (7) calendar days from the date of the meeting.

(123) The duties and functions of the Apprentice Committee shall be as follows:

(a) To negotiate on issues involving the effect of the employment of apprentices on the employment of journeypersons in the trades involved.

(b)(1) The present shop and related training schedules will remain in effect until replaced by revised schedules. The revised schedules will be adopted for those apprentices presently in the training program to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice. If local plant requirements indicate deviations should be made in such shop or related training schedules, proposed changes must be referred to the appropriate section of the International Union, together with the reason for requesting the deviation, for consideration. The present shop training schedules, which have not been agreed to, will be reviewed by the appropriate section of the International Union as soon as possible.

(b)(2) To study other matters that may involve the training of apprentices by journeypersons in the shop. When machinery, equipment or material is introduced or modified and new skills are required in the journeyperson classification in the plant, the matter may be reviewed to determine the effect on the shop and related training of apprentices including necessary revision of such training. If requested, arrangements will be made with the Apprentice Coordinator for the Local Apprentice Committee to investigate the new skills on the plant floor as a part of their review. When a meeting is held with the local educational institution providing related training to implement changes in the related training curriculum, the Union members of the Local Apprentice Committee will be given the opportunity to attend.

(c) Progress reports of the apprentice shop and related training schedules shall be reviewed in meetings of the Local Apprentice Committee, except that upon the request of a member of the Local Apprentice Committee an individual apprentice's record shall be reviewed in a meeting of the Local Apprentice Committee once during the last thirty (30) day period prior to completion of the apprentice shop training schedule. Problems involving the improper application of the shop training schedules to individual apprentices may be raised with supervision and if necessary discussed with the apprentice on the plant floor by the Chairperson or another Union member of the Local Apprentice Committee.

(d) (1) To interview tested apprentice applicants in accordance with the Apprentice Selection Procedure. Interview results will be combined with test scores by central scoring where separate lists will be developed, one for seniority employee applicants and one for all other applicants, each list to be in descending order of points scored for each classification for which they have applied. The lists for each apprentice classification will be provided by central scoring for review by the Local Apprentice Committee. When apprentices are selected, such selections shall be on the basis of at least two from the seniority employee applicant list for every one selected from the other list in descending order of total point score in accordance with the Apprentice Selection Procedure; however, more selections from the other list may be made in the event sufficient seniority employee applicants are not available. Notwithstanding the above provisions of this Paragraph, laid off apprentices may be placed in the classification from which they were laid off prior to the selection of new applicants from either the seniority employee applicant list or the one from all other applicants.

(d) (2) When a list of qualified applicants for a classification is exhausted, additional qualified applicants may be placed on the list for that classification, but in any event additional qualified applicants will be added to the list at twelve (12) month intervals. Changes in the twelve (12) month interval referred to in this Paragraph may be recommended to the Skilled Trades and Apprentice Committee.

(d) (3) When necessary, the Apprentice Coordinator will make arrangements to temporarily assign a Union member of the Local Apprentice Committee to another shift for the purpose of interviewing applicants or to handle specified, legitimate apprentice matters. The overtime premium pay provisions of this Agreement are hereby waived in such instances and such changes in shift for this purpose will not result in the payment of overtime premium.

(e) All applications for apprenticeship will be available upon request for review by the Chairperson of the Union members of the Local Apprentice Committee.

(f) The Local Apprentice Committee will be provided an Interview List containing the name, social security number, date of birth, plant employment information and trades applied for prior to the interview. The Local Apprentice Committee will also be provided with a copy of the Final Applicant Rankings of qualified applicants eligible for selection for each classification containing the name and, in the case of employee applicants, the seniority date will be included.

(g) Employees eligible for tuition assistance who express a desire to enter the *apprentice program* will be advised by a member of the Local Apprentice Committee of courses that are available through the Tuition Assistance Plan which may help them become better prepared as applicants for apprentice training.

(h) The Apprentice Coordinator and the Chairperson of the Union members of the Local Apprentice Committee may confer with new apprentices for the purpose of acquainting the apprentices with the role of the Company, Management, the Union and the Local Apprentice Committee and the appropriate section of the International Union in the apprentice program and to ascertain that the apprentices understand their status and obligations as apprentices in accordance with the Apprentice Training Agreement provided for in Paragraph (144).

(i) The Apprentice Coordinator and the Chairperson of the Union members of the Local Apprentice Committee may confer with apprentices where there are indications that apprentices are failing to perform their obligations as apprentices.

(j) To evaluate and credit previous experience as provided for in Paragraph (129).

(k) To issue certificates of completion of apprenticeship as provided for in Paragraph (150).

(l) Each six months the Chairperson of the Union members of the Local Apprentice Committee will be furnished with a list of the number of apprentices in each training period by classification and the number of journeypersons by classification included in the ratio of apprentices in training to journeypersons.

(124) Apprentice training matters which are discussed by the Local Apprentice Committee and are not resolved may be referred to the appropriate section of the International Union for resolution with the Company.

(125) Grievances filed by apprentices will be handled under the Representation and Grievance Procedure Sections. Chairpersons of the Union members of the Local Apprentice Committees shall be permitted to attend Shop Committee meetings when requested to do so by the Chairperson of the Shop Committee for the purpose of assisting in the handling of grievances of apprentices. They will be paid their regular rates for time spent in such meetings and for making the investigations provided for in this sub-paragraph for the hours they would otherwise have worked in the plant. The Chairperson of the Shop Committee may designate the Chairperson of the Union members of the local Apprentice Committee, in lieu of a member of the Shop Committee, to make the further investigation provided for in Paragraph (34) of a grievance filed by an apprentice. Disputes concerning the Apprentices and Skilled Trades Sections of this Agreement may be appealed to the Umpire in accordance with Paragraph (55).

(126) Notwithstanding the provisions of Paragraph (125) above, problems involving apprentice related training schedules which cannot be settled locally by the Local Apprentice Committee

shall not be subject to the Grievance Procedure. Such problems may be referred to appropriate section of the International Union for resolution with the Company.

Apprenticeship Eligibility Requirements

(127) Management will review its apprentice training needs and will post on the bulletin boards a list of apprentice openings. In order to be eligible for consideration for apprenticeship, all applicants must meet the requirements for apprentice training as established in the Rolls-Royce Allison-UAW Standard Apprentice Plan, including age, education, and other tests, such as aptitude tests. To satisfy the education requirement, the applicant must be a high school graduate, or have an equivalent education such as the high school equivalency test or other methods that may be agreed upon by the Skilled Trades and Apprentice Committee, or meet the alternative requirements set forth in the Rolls-Royce Allison-UAW Standard Apprentice Plan. The new employee applicant must be at least 18 or otherwise consistent with applicable State and Federal laws.

(128) Notwithstanding other provisions of this Agreement, any seniority employee in that plant other than those classified as apprentices may file an application for an opening in the apprentice program; provided, however, that where there is evidence that the filing of such applications by journeymen/women is inconsistent with skilled trades staffing objectives, such application shall be subject to review and decision by the Apprentice Committee. An apprentice with seniority who is scheduled to be removed from an apprenticeable classification in a reduction in force may apply for an apprentice opening in a related skilled classification.

If such applicants meet all of the requirements for apprentice training as established in the Rolls-Royce Allison-UAW Standard Apprentice Plan their applications will be considered for the apprentice program (consistent with applicable State and Federal laws). When the qualifications of employee-applicants are equal, the employee-applicant with the longest seniority will be given preference.

Credit for Previous Experience

(129) Credit for previous related experience in military service, an apprentice training program, or a skilled trades classification in any plant, may be given up to the total time required on any phase of the apprentice shop training or related training schedules. Credit for such previous experience shall be given to apprentices at the time they have satisfactorily demonstrated that they possess such previous experience and are able to do the job. Related training credit shall be given apprentices at the time that they have demonstrated that they possess the educational knowledge for which they are requesting credit under the related training schedule. At the time such credit is given, the apprentice's wage rate shall be correspondingly adjusted within the apprentice rate schedule based on the amount of credit given toward completion of the shop training schedule. Any dispute over such credit shall be referred to the appropriate section of the International Union for resolution with the Company.

Term of Apprenticeship

(130) The term of apprenticeship shall be nominally four (4) years in length, but shall be based on the number of hours actually worked. The shop schedule shall be divided into eight (8) periods of 916 hours each.

Seniority of Apprentices

(131) Each apprentice classification in the apprentice program shall be a separate non-interchangeable occupational group.

(132) Apprentices hired directly into an apprentice classification shall establish seniority in their non-interchangeable occupational group in accordance with Paragraphs (57) and (58).

(133) Employees transferred to an apprentice classification shall have a date of entry in the non-interchangeable occupational group to which they are transferred and will continue to accumulate seniority in the seniority group from which they were transferred.

(134) (a) For the purpose only of determining the seniority status of apprentices in training, such apprentices shall have their seniority established as provided in Paragraphs (132) and (133) above.

(b) For the purpose of layoff and rehire or other applicability in their skilled occupational group, the seniority of apprentices, upon graduation, shall be adjusted to a date which represents time equal to the calendar days [subsequent to their seniority date established in the plant pursuant to Paragraph (57)] spent in the apprentice program. Graduate apprentices' journeyman seniority dates shall not precede their seniority dates established pursuant to Paragraph (57). For all other purposes seniority shall be as established by the Section entitled "Acquiring Seniority."

(c) (1) Graduate apprentices whose Rolls-Royce Allison apprentice training was interrupted by a leave of absence under the provisions of Paragraphs (105a), Paragraph (112), by an approved leave of absence for jury duty, absences which qualify under the Bereavement Pay, Paid Absence Allowance, Paid Personal Holiday Plan under prior Agreements or Short Term Military Duty sections of this Agreement, by approved vacation time off, or by a sick leave of absence under the provisions of Paragraph (106), shall upon graduation, be given the same journeyman/woman seniority date as they would have received had they not served in the Peace Corps, entered military service, served on the jury, been on approved absence for which they received Bereavement Pay, Paid Absence Allowance, Paid Personal Holiday Pay under prior Agreements or Short Term Military Duty Pay, taken vacation time off, or been on a sick leave of absence. The period covered by a sick leave of absence pursuant to Paragraph (108) and the portion of any sick leave of absence on and after January 1, 1980, pursuant to Paragraph (106) shall be credited.

(c) (2) For each pay period during which apprentices work in their apprentice classification and, in the case of the pay period in which the full week of Christmas holidays fall provided they would otherwise have been scheduled to work, they shall be credited as having spent seven calendar days in the apprentice program.

(d) Apprentices who satisfactorily complete their shop training schedule in a plant prior to the time they complete their related training shall, notwithstanding the provisions of Paragraph (178)(1), be considered as journeypersons but only in the plant in which they were in apprentice training in the classification to which they have been apprenticed and not under Paragraph (178)(2) or (178)(3). Such employees shall be required to complete their related training requirements specified in Paragraph (145). Notwithstanding the provisions of Paragraphs (151) and (181a), such employees who hereafter fail to attend available courses or decline to complete the related training requirements specified in Paragraph (145) shall have their rate adjusted to a rate not greater than the minimum rate of the journeyperson classification. Upon satisfactory completion of the related training requirements the rate of such employees shall be adjusted in accordance with Paragraph (181a). Shift Preference sections of this Agreement must have sufficient flexibility to permit such employees to complete the related training courses in which they are currently enrolled. Seniority of such employees shall be established in accordance with Paragraph (134)(a), (b) and (c).

Time spent by such employees in completing their required apprentice related training schedule shall be paid for at the straight-time hourly rate applicable to such related training for that classification in accordance with Paragraph (146) and the Apprentice Rate Schedule set forth in Paragraph (151); provided, however, the hourly rate for such apprentice related training shall not exceed the applicable rate for the eighth (8th) 916 hour Apprentice Training Period for that classification as set forth in Paragraph (151). The Company's payment of fees and/or tuition required in connection with apprentice related training for such employees is limited to the maximum provided in Paragraph (148).

Upon completion of their related training schedule, the employees shall be given a certificate of completion of apprenticeship, in accordance with Paragraph (150), and shall thereupon be journeymen/women within the meaning of Paragraph (178).

(135) Apprentices removed from the non-interchangeable occupational group to which they are assigned due to a reduction in force or inability to satisfactorily perform the shop and/or related training requirements shall be laid off except that:

a. Apprentices with seniority who were hired directly into an apprentice classification who apply in writing prior to leaving the plant on layoff will be placed in an opening to which no other employee in the plant has a claim in preference to the placement of a new hire.

b. Apprentices with seniority who have been transferred from a job in the plant to an apprentice classification, who apply in writing prior to leaving the plant on layoff, will be returned to the group from which they were so transferred.

c. Failing to have sufficient seniority to be placed on other work, as provided above, apprentices will be laid off.

(136) Apprentices who have been removed from an apprentice non interchangeable occupational group in a reduction in force pursuant to Paragraph (135) above, will be recalled to such group in line with their seniority in such group.

Ratio of Apprentices to Journeypersons

(137) The number of new apprentices who may be enrolled shall be determined on the basis of the number of journeypersons employed for the program averaged over the preceding twelve (12) months. The ratio of apprentices in training to journeypersons should not exceed one (1) apprentice to eight (8) journeypersons. However, the Union agrees that local Management can establish a ratio of apprentices to journeypersons in excess of the one (1) to eight (8) ratio, but not to exceed a ratio of one (1) apprentice to five (5) journeypersons. Deviations below the one (1) to five (5) ratio may be agreed to by the Local Apprentice Committee. Favorable consideration will be given to requests for deviation below the one (1) to five (5) ratio in instances in which it is anticipated the impact of early retirement will create a shortage of skilled trades employees. Disputes concerning such deviations or the enrolling of new apprentices at a time when seniority journeypersons in the same classification are laid off due to a permanent reduction in force will be referred to the appropriate section of the International Union for resolution with the Company.

Ratio - Reduction in Force :

(138) In the event of a reduction of force, the apprentices in excess of the one (1) to eight (8) ratio will be laid off before any journeyperson in that trade is laid off. The ratio of apprentices in training to journeypersons will be based on the average number of journeypersons employed for the program computed on the last Monday of each of the twelve preceding months. The average thus computed shall remain in force until a new computation is made on the last Monday of the next succeeding month. If, during periods when journeypersons are laid off, any monthly computation results in a ratio in excess of one (1) apprentice to eight (8) journeypersons, such excess apprentices will be laid off by the end of the pay period during which the last Monday of the month falls except that a minimum of one apprentice may be retained in each trade.

Reduction in Force (Unusual Circumstances)

(139) In the event the reduction in force is due to unusual circumstances, including, but not confined to: a transfer or discontinuance of an operation, major technological developments, the elimination or consolidation of classifications, the discontinuance of a shift, or a drastic reduction in the level of work resulting in a heavy reduction in the skilled work force; Management, the

Shop Committee and the Union members of the Local Apprentice Committee shall mutually agree to an acceptable layoff and recall plan. Such a layoff plan may provide for reducing the ratio below one (1) to eight (8), or for laying off all apprentices in a particular trade. A plan that provides for the layoff of all apprentices in a particular trade is to be reviewed and approved in advance by the appropriate section of the International Union.

Standard Work Week

(140) To maintain the proper schedule for graduating apprentices, their standard work week, including time spent in connection with related training, shall be forty (40) hours.

(141) Apprentices may be assigned to overtime work when all journeypersons on the shift in the equalization group with which the apprentices in the course of their training are currently associated, are either scheduled to work overtime or have had the opportunity to work overtime. Deviation from this provision may be negotiated by local Management and the Shop Committee.

(a) Equalization of any overtime available to apprentices is subject to local arrangement between Local Management and the Union in a manner consistent with the shop and related training of each apprentice.

(b) Individual apprentices will not be assigned to work overtime for the purpose of completing their apprentice training ahead of other apprentices in like circumstances in the trade.

(142) In case apprentices are required to work overtime, they shall receive credit on the term of apprenticeship for only the actual hours of work.

Allowance - Tools, Books, Supplies

(143) As soon as practicable after being placed in an apprentice group, apprentices will be furnished an appropriate tool box, which will become the property of the apprentice upon graduation. At the same time and also upon satisfactory completion of the first period of 916 hours of work they will be paid an allowance of \$150.00 for the purchase of tools, books and supplies. Upon satisfactory completion of the second, third, fourth, fifth, sixth and seventh periods of 916 hours of work in the apprentice program, apprentices will be paid \$100.00 for the purchase of tools, books and supplies. Management will assist apprentices in obtaining tools. Upon completion of all shop and related training requirements and graduation, apprentices will receive the balance, if any, of the total allowance of \$1,000.00 including credit granted for prior experience pursuant to Paragraph (132) less any such payments previously received. The apprentice shall provide appropriate documentation for purchases to receive such allowances.

Apprentice Training Agreement

(144) All apprentices (and if they are minors, their parent or guardian) shall be required to sign an Apprentice Training Agreement. A copy of the Apprentice Training Agreement shall be furnished to the Apprentice. The Apprentice Training Agreement shall be registered with the Bureau of Apprenticeship and Training, U.S. Department of Labor.

Related Training

(145) Apprentices shall be required during the period of this apprentice program, to complete a program of related and supplemental classroom instructions not to exceed 576 hours during a four-year training course, less the amount of related training for which they received credit pursuant to Paragraph (129). Exceptions up to a maximum of 672 hours may be jointly recommended for specific classifications by the Local Apprentice Committee subject to the approval of the appropriate section of the International Union.

(146) Time spent by apprentices in connection with related training shall not be considered time worked under this Agreement; nevertheless, time spent by apprentices in taking required related training shall be paid for at the apprentices' straight time hourly rate. If an apprentice is laid off during a period while enrolled in related training, the apprentice will be properly compensated for successfully completing the training if re-employed. In the event the employee is not recalled within a reasonable period of time, such employee may apply to the home plant for the related training bonus. In addition, with prior Management approval and arrangements with the school, apprentices whom Management anticipates recalling to the apprentice classification prior to the expiration of the school term may be enrolled for one term and become eligible for an incentive bonus on the same basis. This incentive bonus will amount to a figure to be arrived at by multiplying the number of class hours in each course times the employee's straight-time hourly rate less the amount, if any, paid to the employee for such related training prior to layoff.

(147) Whether related training shall be conducted by Management or through a local educational institution, or otherwise, shall be determined by Management in light of prevailing circumstances in the community. Management will notify and discuss this matter with the Local Apprentice Committee. However, the final determination will remain the responsibility of Management.

(148) The Company agrees to pay on behalf of apprentices covered by this Agreement registration fees and/or tuition required in connection with related training under the apprentice program but not to exceed 576 hours of related training.

Progress Reports

(149) An accurate record shall be kept of the hours worked by each apprentice under the training program. These hours shall be recorded on appropriate forms. Where the basic work processes are subdivided on the uniform shop training schedules, a more detailed breakdown of hours conforming to such subdivisions, which do not change the uniform shop training schedules, may be developed locally.

(149a) Optional hours are provided in each shop training schedule to be used as follows:

1. To give additional training over and above the hours designated in the shop training schedule in those phases which would be most beneficial to apprentices in acquiring their journeyman status.
2. To give training in related phases of the trade not specifically designated in the shop training schedule but normally required of journeymen.

Certificate of Completion

(150) Upon completion of apprenticeship (shop and related training), a certificate shall be issued to the apprentice. The certificate shall be signed by Management and the Union Members of the Local Apprentice Committee. The Skilled Trades and Apprentice Committee will recommend to the Bureau of Apprenticeship and Training, U.S. Department of Labor, or to the state agency in those states where appropriate, that a certificate signifying completion of the apprenticeship be issued to the Apprentice.

Apprentice Wage Rates

(151) Effective with the effective date of this Agreement, the straight time hourly wage rates (exclusive of Cost-of-Living Allowance and shift premium) for apprentices in the bargaining unit shall be the rates set forth in the following Apprentice Rate Schedule:

Apprentice Training Period	Hourly Rate*	
1st 916 Hours	\$19.07	
2nd 916 Hours	19.19	
3rd 916 Hours	19.19	plus 9% of "Rate Difference"
4th 916 Hours	19.19	plus 20% of "Rate Difference"
5th 916 Hours	19.19	plus 33% of "Rate Difference"
6th 916 Hours	19.19	plus 48% of "Rate Difference"
7th 916 Hours	19.19	plus 66% of "Rate Difference"
8th 916 Hours	19.19	plus 86% of "Rate Difference"

*The "Rate Difference" shall be determined by subtracting the sum of \$.20 and the Hourly Rate for the 2nd 916 Hours from the maximum rate established in the Wage Agreement for the journeyman classification for which the apprentice is in training. Resultant rates shall be rounded to the nearest 1 cent.

Notwithstanding the foregoing provisions, seniority employees transferred to apprentice training shall be transferred at their current rate or the rate of \$20.63 per hour, whichever is lower, provided, however, that in no event will their 1st Period Rate be lower than a rate of ten cents (10¢) over the 1st Period Hourly Rate set forth above. Upon their completion of that 1st Period,

they shall be paid a rate of \$19.53 or their first period rate, whichever is higher, and if retained, shall be paid such rate until they qualify for a higher rate in accordance with the Apprentice Rate Schedule.

Upon graduation, apprentices will receive an increase, if retained, to the midpoint of the rate range for the skilled classification to which they are assigned.

The above Apprentice Rate Schedule automatically provides for all increases in straight time hourly wage rates which are effective on the effective date of this Agreement. Straight time hourly wage rates for individual apprentices shall be determined only in accordance with the provisions of this Paragraph (151).

The rates will be adjusted by the amount of and at the same time as the thirty cents (30¢) tool allowance in 1997.

Skilled Trades Vacancies

(152) Management will study its future skilled trades needs, and at least once each six months will post on the bulletin board a list of jobs, if any, for which a shortage of journeypersons is anticipated. Where qualified journeymen/women are not available either through new hires, from journeymen/women currently working on other than skilled trades classifications who have submitted appropriate documents to Management pursuant to Paragraph (178), or from graduated apprentices, employees working on other than skilled trades classifications will be permitted to file application for vacancies in skilled trades classifications listing their qualifications for such jobs. However, subject to rules and conditions established by written local agreement, employees working in skilled trades classifications may be permitted to file application for vacancies in other skilled trades classifications listing their qualifications for such jobs.

(153) Notwithstanding other provisions of this Agreement, Management will select non-journeyperson seniority employees who have previously filed an application as provided above for transfer to the skilled trades classifications for training and to perform the work in such classifications. Employees transferred to skilled trades classifications shall be selected on the basis of their qualifications, and when their qualifications are equal, employees with the longest seniority will be given preference. The recruitment, selection, employment, and training of employees-in-training (E.I.T.) shall be without discrimination because of race, color, religion, national origin or sex. Affirmative action will be taken to provide equal opportunity in the Employee-in-Training Program.

(154) Where no applications of seniority employees with qualifications have been filed for transfer, non-seniority employee applicants may be transferred or new non-journeyperson with qualifications may be hired for the work.

Classification of "Employees-in-Training" and "Employees-in-Training Seniority"

(155) Employees transferred to a skilled trades classification in which they do not hold journeyman/woman or E.I.T.S. status, or non-journeyperson new-hires assigned to a skilled trades classification in which they do not qualify for E.I.T.S. status, shall be identified in the skilled trades classification in which they are working as employee-in-training until their status is changed to employee-in-training seniority (E.I.T.S.) or they are reclassified as journeypersons in such classification in accordance with the provisions of Paragraph (166).

(156) An employee or a non-journeyperson new hire who completes or has completed at least four years of work as an employee-in-training (E.I.T.) in any one skilled trades classification shall be identified in such skilled trades classification as an "Employee-in-Training Seniority" (E.I.T.S.) if the employee is working in that skilled trades classification until classified as a journeyperson in such classification in accordance with Paragraph (166), except as provided in Paragraph (156a) below.

(156a) The parties hereto agree as follows:

1. Employees whose training in the skilled trades was interrupted by a leave of absence under Paragraph (105a), the portion of a leave of absence under Paragraph (106), Paragraph (108) or Paragraph (112), or for Jury Duty, approved absences which qualify under the Bereavement Pay, Paid Absence Allowance or Short Term Military Duty Sections of this Agreement, by approved vacation time off, by all time on layoff out of the program and who thereafter qualify for status as employees-in-training-seniority (E.I.T.S.) or are reclassified as journeypersons in the skilled trades, shall, at such time, be given the same E.I.T.S. date or journeyperson seniority date as they would have received if they had not been on such leave, layoff or approved absence.

2. Employees-in-training (E.I.T.) or employees-in-training-seniority (E.I.T.S.) shall be credited with seven days worked in a skilled trades classification for each pay period during which they worked in that classification in that plant and seven days for the pay period in which the full week of Christmas holidays fall provided such employees would otherwise have been scheduled to work in that plant. Such employees shall receive credit as time worked in a skilled classification for time spent on approved leaves of absence from that classification up to but not exceeding an aggregate of thirty (30) calendar days within the calendar year. Such employees will not receive credit as time worked in a skilled classification for any portion of the leave that they would have been laid off in a reduction in force or returned to their production classification had they not been granted such leave.

3. Employees-in-training (E.I.T.), who are Committeepersons or in-plant full time Union Representatives, shall be credited with seven days worked in a skilled trades classification for each pay period during which they function in such capacity until they acquire employee-in-training-seniority (E.I.T.S.) status. Thereafter they shall be credited as provided in 2. above.

4. When a placement of an EIT or apprentice applicant is delayed due to (1) an approved leave of absence for jury duty, (2) approved time off pursuant to the Vacation Entitlement Section, (3) a sick leave of absence under the provisions of Paragraph (106) or (108), (4) the

short term needs of Local Management, such as the necessity to train a replacement for the person who has been selected, or (5) an absence which qualifies the employee for bereavement pay, (6) for paid absence time off under the provisions of prior agreements, or (7) for short term military duty, and the delay is for a period of not more than 21 calendar days, that person's date of entry for seniority purposes shall be the date he or she would have originally been placed in the opening.

(157) When employees-in-training (E.I.T.) are identified as employees-in-training seniority (E.I.T.S.) they shall, for purposes of layoff and recall, be credited with seniority as follows:

(a) Employees who, pursuant to Paragraph (156), are identified as employees-in-training seniority (E.I.T.S.) in a skilled trades classification in the plant shall receive seniority credit as employees-in-training seniority (E.I.T.S.) equal to the time worked in the classification in the plant except as provided in Paragraph (156a) above.

(158) For the purpose of layoff and rehire in the skilled trades classifications, employees-in-training seniority (E.I.T.S.) transferred or hired directly to employee-in-training (E.I.T.) status shall, subsequent to acquiring plant seniority pursuant to the provisions of Paragraph (57), establish seniority in the skilled trades classification to which they are assigned. The date such employees are transferred or hired into the skilled trades classification shall be their skilled seniority date in that classification except that such date will not precede their seniority date established pursuant to Paragraph (57).

Seniority of "Employees-in-Training" and "Employees-in-Training Seniority"

(159) Employees-in-Training (E.I.T.) and employees-in-training seniority (E.I.T.S.) shall retain and accumulate seniority in the seniority group in which it is established at the time of their transfer to the employee-in-training (E.I.T.) or the employee-in-training seniority (E.I.T.S.) status.

(160) For the purpose of layoff and rehire in the skilled trades classifications, employees-in-training (E.I.T.) shall establish a date of entry in the skilled trades classification to which they are assigned as of the date they are transferred or hired into such classification. They shall retain such date of entry in such classification until their status is changed to employee-in-training seniority (E.I.T.S.) or they are reclassified as journeymen/women in that classification; provided, however, Management and the Shop Committee may work out an agreement, subject to the approval of the appropriate section of the International Union, dealing with the matter of multiple dates of entry of an employee.

(161) Employees-in-training (E.I.T.) shall be laid off from the skilled trades classification in which they are working in the reverse order of their date of entry status in such classification, provided, however, that if they have sufficient seniority or date of entry status, they shall thereafter be transferred in the following order:

- (1) To another skilled trades classification in which they have journeyman status;

(2) To another skilled trades classification in which they have employee-in-training seniority (E.I.T.S.) status;

(3) To another skilled trades classification in which they have a date of entry status;

(4) To a seniority group, other than in skilled trades, in which their seniority is established.

(162) Employees-in-training seniority (E.I.T.S.) shall be laid off from the skilled trades classification in which they are working in reverse order of their seniority in such classification, provided, however, that if they have sufficient seniority or date of entry status, they shall thereafter be transferred in the following order:

(1) To another skilled trades classification in which they have journey person status;

(2) To another skilled trades classification in which they have employee-in-training seniority (E.I.T.S.) status;

(3) To another skilled trades classification in which they have a date of entry status;

(4) To a seniority group, other than in skilled trades, in which their seniority is established.

Wage Rates of "Employees-in-Training"

(163) Where the minimum rate of the skilled trades classification to which an employee-in-training (E.I.T.) is transferred is not more than 10¢ above the rate an employee is earning, the employee will be advanced to such minimum rate upon transfer. Where there is more than a 10¢ differential, the employee will be advanced 10¢ over the rate the employee has been earning, or to a rate of \$19.95 per hour, whichever rate is higher at the time, and shall be stepped up no less than 10¢ each 60 days, if retained, until the employee reaches the minimum rate of the classification. Any odd cents less than 10¢ will be added to the last 10¢ increase in order to bring the employee up to the minimum rate of the classification. In no event will the rate paid an employee-in-training (E.I.T.) at time of transfer exceed the minimum rate of the skilled trades classification to which an employee is transferred, except as provided in Paragraph (165). Any increase above the minimum rate shall be on the basis of merit, but in no event will such an employee receive a rate above the midpoint of the rate range for the employee's job classification.

(164) An employee hired as an employee-in-training (E.I.T.) shall receive a rate of not less than \$19.95 per hour and if retained, the employee's rate shall be increased not less than 10¢ per hour each 60 days until the employee reaches the minimum rate of the skilled trades classification to which the employee is assigned. Any increase above the minimum shall be on the basis of merit, but in no event will such an employee receive a rate above the midpoint of the rate range for the employee's job classification.

(165) Employees-in-training (E.I.T.) or employees-in-training seniority (E.I.T.S.), who may be returned to a skilled trades classification assignment in keeping with these provisions, shall be given the same rate position they had attained at the time they were last classified in such classification except as otherwise provided in Paragraph (181a). Employees-in-training (E.I.T.) or employees-in-training seniority (E.I.T.S.) who may be transferred to E.I.T. status in a skilled trades classification which is related to the skilled trades classification in which they held the status of E.I.T. or E.I.T.S., shall be given the same rate (adjusted for any intervening general wage increases) they had attained at the time they were classified in the former classification, but not greater than the maximum rate of the new classification.

Reclassification to Journeyperson Status

(166) Employees who are classified as employees-in-training (E.I.T.) or employees-in-training seniority (E.I.T.S.) shall be classified as journeypersons when they have worked eight (8) years in that skilled trades classification in any plant, except as provided for in Paragraph (156a).

(167) In determining whether employees have worked in a skilled trades classification the time required in order to qualify for journeyperson status in that classification pursuant to Paragraph (166), they may receive credit for the work they performed while classified in another skilled trades classification which is related to the one in which they are being reclassified as journeypersons, in accordance with Paragraphs (168) and (169).

(168) After the completion of the period of time specified in Paragraph (156) for reclassification to E.I.T.S. status, employees may be credited with the hours worked in the related classification in any plant but not in excess of two times the number of hours outlined in a Rolls-Royce Allison-UAW apprentice training program for such classification of work.

(169) In computing credit for work performed under Paragraph (168), employees shall be credited with one week for each 40 hours of work performed.

Seniority Credit Upon Reclassification of "Employees-in-Training" and "Employees-in-Training Seniority" to Journeypersons

(170) Employees reclassified from an employee-in-training (E.I.T.) status to a journeyperson status in accordance with the provisions of Paragraph (166), upon reclassification to a journeyperson status, shall have their seniority date established in the skilled trades classification to which they are assigned by crediting them with all of the time [subsequent to their seniority

date established pursuant to Paragraph (57)] during which they worked in that skilled trades classification either on a continuous or accumulated basis, except as provided in Paragraph (156a).

(171) Upon reclassification to journeyman status, employees-in-training seniority (E.I.T.S.) shall have as their journeyman seniority date in the classification the greater of the following:

(1) The employee-in-training seniority (E.I.T.S.) date they have in that classification in that plant as of the date of their reclassification, or

(2) A seniority date established in the skilled trades classification to which they are assigned by crediting them the sum of:

(a) 100% of the time [subsequent to their seniority date established pursuant to Paragraph (57)] during which they worked in that plant in that skilled trades classification either on a continuous or accumulated basis, except as provided in Paragraph (156a); and

(b) 100% of the time, subsequent to acquiring E.I.T.S. status, spent out of that skilled trades classification due to a reduction in force.

(172) Employees reclassified from employee-in-training (E.I.T.) or employee-in-training seniority (E.I.T.S.) to journeyman status shall have the seniority rights, if any, provided in the local seniority agreement in seniority groups other than in skilled trades.

Seniority Rights of Journeymen, "Employees-in-Training Seniority" and "Employees-in-Training"

(173) Journeymen or employees-in-training seniority (E.I.T.S.) in a skilled trades classification shall retain their date of entry, subject to the provisions of Paragraph (160) above, in other skilled trades classifications to which they had been or are thereafter assigned as employees-in-training (E.I.T.).

(174) No journeyman so classified will be laid off until it is necessary to further reduce the force after employees who have not attained the status of a journeyman in such classifications, for which the journeyman is qualified, have been laid off, except as provided in Paragraph (176).

(175) Employees-in-training (E.I.T.) who have not qualified as journeyman may be retained in their classification until displaced by:

(1) Fully qualified journeyman in the plant;

- (2) Newly graduated apprentices;
- (3) Employees-in-training seniority (E.I.T.S.);
- (4) A reduction in force.

(176) Employees-in-training seniority (E.I.T.S.) may be retained in the skilled classification in which they are classified as employees-in-training seniority (E.I.T.S.) until displaced by:

- (1) Employees with more seniority in the classification;
- (2) A reduction in force.

(177) Notwithstanding the provisions of Paragraph (174), (175) or (176) provisions may be negotiated between Management and the Shop Committee to govern temporary layoff situations.

Definition of "Journeyman"

(178) The term "journeyman" when used in this Agreement means an employee who: (1) has satisfactorily completed a bona fide apprentice training course with similar standards to the Rolls-Royce Allison-UAW Apprentice Training Program; or (2) one who has been reclassified as a journeyman under the terms of the Skilled Trades Section of this Agreement; or (3) one, newly hired, who meets one of the above alternative requirements or can prove work experience in the trade at least equivalent to that on-the-job experience required for reclassification to journeyman status of those employees-in-training covered in Paragraph (166) of this Agreement. Copies of any documents presented pursuant to this provision will be furnished to the Chairperson of the Shop Committee upon request.

(178a) Journeymen in an apprenticeable classification will be considered to be journeymen classified in the classification(s) for which they are qualified and which is (are) related to that apprenticeable classification, in the application of Paragraph (166). Local Apprentice Committee will determine classifications which are to be considered related to apprenticeable classifications, subject to the approval of the appropriate section of the International Union. In the event the parties are unable to reach agreement locally, the area of difference may be referred to the appropriate section of the International Union for resolution with the Company on the basis of the specific facts involved.

Major Plant Rearrangement

(179) During major plant rearrangement employees may be temporarily transferred to classifications to assist in such work and paid in accordance with the local wage agreement. The duration of such temporary transfers is limited to the temporary period of such major plant

rearrangements. Seniority of such employees shall remain and accumulate in the seniority group in which it is established at the time of the temporary transfer. It is understood, therefore, that no employee will be credited with any seniority in such classifications for the purpose of being retained in the classification.

Related Training-E.I.T.

(180) (a) Related training schedules totaling between approximately 350 hours will be provided for each classification in which there are currently employees classified as employees-in-training (E.I.T.) or employees-in-training seniority (E.I.T.S.). Exceptions up to a maximum of 450 hours for employee-in-training programs may be jointly recommended by the Chairperson of the Shop Committee and local plant management subject to the approval of the appropriate section of the International Union. The Local Shift Preference Agreement must have sufficient flexibility to permit such employees to complete the related training courses in which they are currently enrolled.

(b) Employees will be required to attend the related training courses established for that classification during the period of time they work as an employee-in-training (E.I.T.). Such employees shall not be required to attend related training courses which they have completed previously. In the event that an employee's work schedule makes it impossible to complete the related training during their E.I.T. period, with the approval of the Skilled Trades and Apprentice Committee, such classes may be completed prior to the employee being reclassified to Journeyperson status. Failure of an employee to attend related training classes and achieve a grade of C or better, as well as failure or inability to satisfactorily perform the work in question will be cause for removal from the classification after having been counseled. Notwithstanding the provisions of Paragraphs (163), (164), (165) and (181a), such employees who hereafter achieve E.I.T.S. status pursuant to the provisions of Paragraph (156) prior to the completion of the required related training courses shall have their rate adjusted to a rate not greater than the minimum rate of the journeyperson classification. Upon satisfactory completion of the related training requirements and provided they are otherwise qualified, the rate of such employees shall be adjusted in accordance with Paragraph (181a).

(c) Time spent by employees-in-training (E.I.T.) and employees-in-training-seniority (E.I.T.S.) in connection with related training shall not be considered time worked under this Agreement; nevertheless, time spent by employees-in-training (E.I.T.) or employees-in-training-seniority (E.I.T.S.) in taking required related training, but not to exceed the hours specified in Paragraph 180(a), shall be paid for at the employees' (E.I.T. or E.I.T.S.) straight-time hourly rate.

(d) The Company agrees to pay, on behalf of employees-in-training (E.I.T.) and employees-in-training seniority (E.I.T.S.) covered by this Agreement, registration fees and/or tuition required in connection with related training under the employee-in-training (E.I.T.) program, but not to exceed the hours specified in Paragraph (180)(a).

General

(181a) Upon becoming classified as journeypersons or employees-in-training seniority (E.I.T.S.), employees shall receive a rate not less than the midpoint of the rate range for their job classification except that such employees shall receive the maximum rate of their classification within three (3) months from the date on which they are so classified or acquire seniority, or in the case of newly hired journeypersons or newly hired employees-in-training seniority (E.I.T.S.), within three (3) months from the date on which they acquire seniority and except that employees classified as journeypersons in one skilled trades classification and earning the maximum rate for that classification who are transferred to journeyperson status in a related skilled trades classification at that plant shall be paid the maximum rate for the related classification immediately upon transfer.

(181b) Local agreements subject to Company and International Union approval may be negotiated locally to meet other local conditions in accordance with the principles set forth in this section.

Lines of Demarcation

(182)(a) *The Chairperson of the Shop Committee may request the Labor Relations Supervisor to arrange a special conference to hear the skilled trades representative's views concerning problems in connection with work assignments of employees in skilled trades classifications and to discuss the matter. Such special conference will be attended by two committeepersons representing employees in skilled trades classifications, the Chairperson of the Shop Committee, a representative of the section of the Management organization in charge of the skilled trades activity involved, a representative of labor relations and another representative of the Management organization. The Regional Director of the International Union or a designated representative, upon request to the Labor Relations, may attend the conference.*

(b) *If the matter involves the appropriateness of the work assignment of employees in skilled trades classifications and is resolved, the settlement will be reduced to writing within seven (7) calendar days from the date of the settlement unless otherwise agreed to by the parties. If the matter is not resolved, the Union may reduce the matter to writing in a statement setting forth all the facts and circumstances surrounding the case and the position taken by the union. The statement will be presented to Management, within ten (10) working days of the special conference. Within five working days thereafter, local management will prepare and give to the union a complete statement of the facts of the case and the reasons for the position taken. The Union may within 30 days of such delivery forward the Union's statement and the Management's statement to the International Union.*

(c) *If in its judgment the matter warrants appeal, the International Union may within 30 days of receipt of the statements, appeal the matter to the appropriate section of the International Union by written notice to the Director of Labor Relations of the Company.*

(d) *The appropriate section of the International Union shall attempt to resolve the matter. If they are unable to resolve the case within three months of the date of appeal to it or*

any mutual extension of said period, the case may be withdrawn without prejudice by the union members or may be appealed to the Impartial Umpire for final and binding decision. Upon the submission of a case to the Umpire, the parties will make an effort to provide the Umpire with a jointly agreed upon set of specific criteria to guide the Umpire's decision in each case.

Subcontracting of Skilled Trades Work

(183a) Employees of an outside contractor will not be utilized in a plant covered by this Agreement to replace seniority employees on production assembly or manufacturing work, or fabrication of tools, dies, jigs and fixtures, normally and historically performed by them, when performance of such work involves the use of Company-owned machines, tools, or equipment maintained by Company employees.

(b) The foregoing shall not affect the right of the Company to continue arrangements currently in effect; nor shall it limit the fulfillment of normal warranty obligations by vendors nor limit work which a vendor must perform to prove out equipment.

(c) It is the policy of the Company to fully utilize its seniority employees in maintenance skilled trades classifications in the performance of maintenance and construction work, as set forth in Document Number 9.

(d) In all cases, except where time and circumstances prevent it, Local Management will hold advance discussion with and provide advance written notice to the Chairperson of the Shop Committee and whose zones include the maintenance activities, prior to letting a contract for the performance of maintenance and construction work. In this discussion Local Management is expected to review its plans or prospect for letting a particular contract. The written notice will describe the nature, scope and approximate dates of the work to be performed and the reasons (equipment, available human resources, etc.) why Management is contemplating contracting out the work. Further, this written notice will include the type and duration of warranty work.

At such times Local Management representatives are expected to afford the Local Union representatives an opportunity to comment on the Management's plans and to give appropriate weight to those comments in the light of all attendant circumstances. When Journeypersons or E.I.T.S. tool and die employees are on layoff or become laid off as a result of the plant's subcontracting work normally performed by them, Local Management will, except where time and circumstances prevent it, hold such advance discussions of contracts for the performance of major experimental engine hardware work associated with new models or model changes as well as tooling construction programs associated with such work of the type normally performed by such employees.

(e) In no event shall any seniority employee who customarily performs the work in question be laid off as a direct and immediate result of work being performed by any outside contractor on the plant premises.

(f) The local parties are encouraged to work out mutually agreeable procedures for implementing the above provisions which enhance the competitiveness of the skilled trades employees.

VACATION ENTITLEMENT

(184) The vacation entitlement provisions of this Section shall apply during the remainder of the term of this Agreement.

(185) The eligibility date for vacation entitlement for all seniority employees is December 31. Each "eligibility year" shall begin with the first pay period following the pay period containing December 31 of the previous year and end with the pay period in which December 31 falls.

(186) Employees shall become eligible for vacation entitlement as hereinafter defined, provided they have at least one year's seniority as of December 31 of the eligibility year and have worked during at least 13 pay periods during the eligibility year.

Without modifying or adding to any other provision of the Vacation Entitlement Section, an employee who has seniority but has not acquired one year's seniority as of December 31 shall nevertheless become eligible for a percentage of 40 hours of vacation entitlement pursuant to Paragraphs (190) and (193).

(187) In determining the number of pay periods an employee shall have worked in the eligibility year, the employee shall be credited with one pay period for each pay period in which the employee performs work in any Company plant during that year.

(188) For the purposes of this Vacation Entitlement Section only, a pay period during which an employee qualifies for pay pursuant to Paragraph (194), Paragraphs (203) through (213a) for holidays falling within the Christmas Holiday Period, Paragraph (112d), Paragraph (218a), Paragraph 218(b) shall be counted as a pay period worked.

(189) An eligible employee who has worked at least 26 pay periods in the eligibility year shall be entitled to the following vacation entitlement:

For an Eligible Employee With Seniority of	Hours of Vacation Entitlement
Less than one year	72
One but less than three years	112
Three but less than five years	132
Five but less than 10 years	152
Ten but less than fifteen years	172
Fifteen but less than twenty years	192
Twenty or more years	232

(190) An eligible employee shall be entitled to a percentage of vacation entitlement shown in Paragraph (189) based on the number of pay periods the employee works in the eligibility year, in accordance with the following:

Pay Periods Worked	Percentage of Hours of Vacation Entitlement
26	100%
25	96
24	92
23	88
22	84
21	80
20	76
19	73
18	69
17	65
16	61
15	57
14	53
13	50

(191) An eligible employee who, at the time of the eligibility date, has not used the entire vacation entitlement provided for in Paragraph (189) shall receive a payment in lieu of vacation time off for the unused portion at the rate established in accordance with Paragraph (192).

(192) Vacation time off payments will be calculated on the basis of the employee's regular rate of pay, plus attached night shift premium, not including overtime, as of the employee's last day worked prior to the approved vacation time off period for vacation with pay. Payment of the unused portion, if any, of Vacation Entitlement will be calculated on the basis of the employee's rate of pay plus the attached night shift premium but not including overtime premium, as of the last day worked prior to the eligibility date or the last day worked prior to December 15, whichever produces the higher rate.

(193) Payment of the unused portion, if any, of the employee's vacation entitlement, shall be made as soon as possible but not later than February 1 of the following year.

(194) Eligible employees may use 40 hours of their vacation entitlement during the eligibility year provided their absence from work is for not less than four (4) continuous hours and is excused for illness (when not receiving Sickness and Accident benefits), or personal business, or a leave of absence for vacation purposes.

(194a) Employees who work on a designated holiday, in accordance with Paragraph (203) of this Agreement, and are otherwise eligible for holiday pay, may request up to eight (8) hours be credited to their Paid Absence Allowance [Paragraph (194)], in lieu of receiving holiday pay. The hours requested may not exceed the actual hours worked. To provide sufficient time for administration, the employees must submit their request in writing no later than the Friday of the week in which the holiday occurs. The employee must use the time off in the same eligibility year in which the holiday was worked, with the exception of Christmas Holidays. Deferred Christmas Holidays must be used during the following calendar year. Unused deferred holidays will be paid at the same time unused vacation entitlement is paid (refer to Paragraph 193).

(195) Employees who retire or are retired under the provisions of the Allison Engine Company Hourly Rate Employees Pension Plan shall receive prorated vacation entitlement up to the vacation entitlement to which the employee's seniority would have entitled them on December 31 of the current year, as follows:

- in accordance with Paragraph (190) provided the employee has worked at least 13 pay periods in the eligibility year in which they retire
- or one twenty sixth (1/26) of the vacation entitlement provided for in Paragraph (189) for each pay period worked within the eligibility year if they have worked less than 13 pay periods in the eligibility year in which they retire.

(196) Employees who are placed on or return from a Leave of Absence for Military Service pursuant to the provisions of Paragraph (112), shall receive vacation entitlement in accordance with Paragraph (190) if the employee has worked at least 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service, or one twenty sixth (1/26) of the vacation entitlement provided for in Paragraph (189) for each pay period worked within the eligibility year if they have worked less than 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service.

(197) Employees disabled from working by compensable injury or legal occupational disease shall receive credit toward pay periods worked under this Vacation Entitlement Section for pay periods they would otherwise have been scheduled to work during the period of compensable disability, provided they worked during at least one (1) pay period in the eligibility year and are otherwise eligible for a vacation entitlement.

(198) In the case of an employee who has worked during at least 13 pay periods in the eligibility year and who dies prior to the eligibility date, the vacation entitlement to which the employee would have been entitled had the employee lived, based on the number of pay periods worked, shall be paid to the employee's duly appointed legal representative, if there is one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as the Company in its discretion may determine.

(199) In the case of an employee who goes on sick leave during one eligibility year after having worked less than 13 pay periods in that year and who retires during the next eligibility year under

the provisions of the Rolls-Royce Allison Hourly Rate Employees Pension Plan before returning to work, the retirement, for the purpose of this Vacation Entitlement Section only, shall be deemed to have occurred as of the day following the employee's last day worked.

(200) When a person is transferred into a bargaining unit covered by this Agreement the amount of vacation entitlement the employee may become eligible for shall be reduced by the amount of any paid vacation or pay in lieu of taking vacation which the employee has already received from the Company for the same eligibility year.

Vacation Time Off Procedure

(201) Management recognizes the desirability of providing vacation time off with pay, up to the vacation entitlement to which the employee's seniority will entitle them on December 31 of the current year, in a manner that preserves the maintenance of efficient operations while giving consideration to the desires of the employee.

(202) Management at each plant will establish a procedure whereby employees, during March, may make application in writing for vacation time off, indicating first, second and third choices. In the event more employees apply for time off than can be spared from the job at a given time, plant seniority will be the basis for resolving priority of applications for time off, except that applicants working on jobs which usually operate when the plant is shut down during such periods as plant rearrangement or inventory will be given first consideration for time off during periods other than such shutdowns.

(a) Each employee will be given a written disposition of their vacation time off request. Approved vacation time off will not thereafter be canceled or changed without the mutual consent of Management and the employee.

(b) An eligible employee who has approved vacation time off in accordance with Paragraph (202) shall receive their vacation pay, up to the amount of their approved time off, in the pay period following the pay period in which the approved vacation time off is taken. An employee may elect to waive this provision by submitting an application at least two (2) days prior to the approved vacation time off. Upon receipt of the application, payment of the specified Vacation Entitlement will be made pursuant to the provision for payment of an unused balance in Paragraphs (192) and (193).

(c) Employees who are scheduled and work on the Independence Day Holiday (Paragraph 203) shall be entitled up to an additional eight (8) hours Additional Time Off with pay. The Additional Time Off shall not exceed the total hours worked on the Independence Day Holiday.

(d) Regardless of the provisions of Paragraph (49), the Corporation will deduct from earnings subsequently due and payable the amount of any vacation payment made to an employee who does not have seniority as of their next eligibility date, or who receives

state or federal benefits as a result of unemployment during the Vacation Entitlement Period, or who receives any payment in excess of their eligibility. Recovery of such overpayments may be made from any future payments payable under any term of this agreement or any Supplemental Agreement thereto.

HOLIDAY PAY

(203) Employees shall be paid for specified holidays and the holidays in each of the Christmas holiday periods as provided hereinafter:

1st Year

April 21, 2000, Good Friday
April 24, 2000, Day after Easter
May 29, 2000, Memorial Day
July 4, 2000, Independence Day
September 4, 2000, Labor Day
November 10, 2000, Veteran's Day Observed
November 23, 2000, Thanksgiving
November 24, 2000, Day after Thanksgiving
December 25, 2000)
December 26, 2000) Christmas
December 27, 2000) Holiday
December 28, 2000) Period
December 29, 2000)
January 1, 2001)
January 15, 2001, Martin Luther King, Jr. Day

2nd Year

April 13, 2001, Good Friday
April 16, 2001, Day after Easter
May 28, 2001, Memorial Day
July 4, 2001, Independence Day
September 3, 2001, Labor Day
November 12, 2001, Veteran's Day Observed
November 22, 2001, Thanksgiving
November 23, 2001, Day after Thanksgiving
December 24, 2001)
December 25, 2001)
December 26, 2001)
December 27, 2001) Christmas

December 28, 2001) Holiday
December 31, 2001) Period
January 1, 2002)
January 21, 2001 Martin Luther King, Jr. Day

3rd Year

March 29, 2002, Good Friday
April 1, 2002, Day after Easter
May 27, 2002, Memorial Day
July 4, 2002, Independence Day
September 2, 2002, Labor Day
November 11, 2002, Veteran's Day
November 28, 2002, Thanksgiving
November 29, 2002, Day after Thanksgiving
December 23, 2002)
December 24, 2002) Christmas
December 25, 2002) Holiday
December 26, 2002) Period
December 27, 2002)
December 30, 2002)
December 31, 2002)
January 1, 2002)
January 20, 2003 Martin Luther King, Jr. Day

4th Year

April 18, 2003, Good Friday
April 21, 2003, Day after Easter
May 26, 2003, Memorial Day
July 4, 2003, Independence Day
September 1, 2003, Labor Day
November 10, 2003, Veteran's Day Observed
November 27, 2003, Thanksgiving
November 28, 2003, Day after Thanksgiving
December 24, 2003)
December 25, 2003) Christmas
December 26, 2003) Holiday
December 29, 2003) Period
December 30, 2003)
December 31, 2003)
January 1, 2004)
January 2, 2004)
January 19, 2004, Martin Luther King, Jr. Day

5th Year

April 9, 2004, Good Friday
April 12, 2004, Day after Easter
May 31, 2004, Memorial Day
July 5, 2004, Independence Day Observed
September 6, 2004, Labor Day
November 11, 2004, Veteran's Day
November 25, 2004, Thanksgiving
November 26, 2004, Day after Thanksgiving
December 24, 2004)
December 27, 2004) Christmas
December 28, 2004) Holiday
December 29, 2004) Period
December 30, 2004)
December 31, 2004)
January 17, 2005, Martin Luther King, Jr. Day

providing they meet all of the following eligibility rules unless otherwise provided herein:

1. The employee has seniority as of the date of each specified holiday and as of each of the holidays in each of the Christmas holiday periods, and
2. The employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and
3. The employee must have worked the last scheduled work day prior to and the next scheduled work day after each specified holiday within the employee's scheduled work week. For each Christmas holiday period, the employee must have worked the last scheduled work day prior to each holiday period and the next scheduled work day after each holiday period.

Each of the designated days in the Christmas holiday period shall be a holiday for purposes of this Holiday Pay Section.

(203a) Failure to work either the last scheduled work day prior to or the next scheduled work day after each Christmas holiday period will disqualify the employee for pay for the two holidays in the Christmas holiday period which follow or precede such scheduled work day.

(203b) An employee who retires as of January 1, and who is otherwise eligible for holiday pay for those holidays falling in the Christmas holiday period up to and including December 31; will receive holiday pay for such holidays.

(203c) In order for employees to have maximum time off during the Christmas Holiday Period, employees will only be scheduled for work on the following days, which are not paid holidays under this Agreement, on a voluntary basis, except in emergency situations:

Saturday, December 23, 2000
Sunday, December 24, 2000
Saturday, December 30, 2000
Sunday, December 31, 2000

Saturday, December 22, 2001
Sunday, December 23, 2001
Saturday, December 29, 2001
Sunday, December 30, 2001

Saturday, December 21, 2002
Sunday, December 22, 2002
Saturday, December 28, 2002
Sunday, December 29, 2002

Saturday, December 27, 2003
Sunday, December 28, 2003
Saturday, January 3, 2004
Sunday, January 4, 2004

Saturday, December 25, 2004
Sunday, December 26, 2004
Saturday, January 1, 2005
Sunday, January 2, 2005

Employees shall not be disqualified for holiday pay if they do not accept work on such days. This does not apply to employees on necessary continuous seven-day operations.

(204) When a holiday falls on Saturday, eligible employees shall receive holiday pay provided they have worked the last preceding scheduled work day within the week in which that holiday falls.

(205) Employees eligible under these provisions shall receive eight hours pay for each of the holidays specified in Paragraph (203), computed at their regular straight time hourly rate plus any cost of living allowance in effect, exclusive of overtime premium.

(206) For holidays specified in Paragraph (203), eligible employees shall have the night shift premium rate which attached to the straight time hours on their last straight time day worked preceding the holiday included in the computation of holiday pay paid pursuant to Paragraph (205).

(207) Employees whose work is in necessary continuous seven-day operations as covered by Paragraph (87) shall receive holiday pay only in the event the holiday falls on one of their regularly scheduled days off, and they meet the other eligibility requirements of this Holiday Pay Section; provided, however, that such employees shall not receive holiday pay if they are scheduled to work on such day off and absent themselves from scheduled work on such holiday without reasonable cause acceptable to Management.

(208) Seniority employees who have been laid off in a reduction of force (except as provided below), or who have gone on sick leave, or on leave of absence for military service, or on a Leave for Family and Medical reasons, in accordance with Paragraphs (104) and (106) respectively, during the work week prior to or during the week in which the holiday falls, shall receive pay for such holiday.

Seniority employees who work in the fourth work week prior to the week in which the Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, or seniority employees who are laid off in a reduction in force during the first, second or third work week prior to or during the work week in which the Christmas Holiday Period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period providing such employees worked the last scheduled work day prior to such layoff.

Seniority employees who work in the fifth, sixth or seventh work week prior to the week in which the Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period providing such employees worked the last scheduled work day prior to such layoff.

(209) Employees who have been laid off because of plant rearrangement, or inventory shall be eligible for holiday pay under these Holiday Pay provisions, for a specified holiday falling within the period of such layoff providing they meet all the following eligibility rules:

1. They have seniority as of the day of the holiday.
2. They are ineligible for holiday pay for the holiday under the other provisions of this Holiday Pay Section.
3. They return to work during the work week in which the holiday falls or during the work week immediately following the work week in which the holiday falls.
4. They work the first day they are scheduled to work following the holiday.

(210) When a holiday, specified above, falls within an eligible employee's approved vacation period or during a period in which jury duty pay is received pursuant to Paragraph (218a) of this Agreement, and such vacation or jury duty causes the employee to be absent from work during the regularly scheduled work week, the employee shall be paid for such holiday.

(211) When eligible employees are on an approved leave of absence and return to work following the holiday but during the week in which the holiday falls, they shall be eligible for pay for that holiday. Eligible employees whose leave of absence terminates during the Christmas Holiday Period, and who report for work on the next scheduled work day after the Christmas Holiday Period, will be eligible for holiday pay beginning with the first holiday such employees would otherwise have worked and each holiday thereafter in the Christmas Holiday Period.

(212) Employees not working in necessary continuous seven-day operations who may be requested to work on a holiday and have accepted such holiday work assignment and then fail to report for and perform such work, without reasonable cause, shall not receive holiday pay under this Holiday Pay Section.

(213) When any of the above-enumerated holidays falls on Sunday and the day following is observed as the holiday by the State or Federal Government, the day of observance shall be considered as the holiday under the provisions of this Holiday Pay Section.

(213a) It is the purpose of the Holiday Pay Provisions in Paragraphs (203) through (213) of this Agreement to enable eligible employees to enjoy the specified holidays with full straight time pay. If, with respect to a week included in the Christmas Holiday Period, employees supplement their Holiday Pay by claiming and receiving an unemployment compensation benefit, or claim and receive waiting period credit, to which they would not have been entitled if their Holiday Pay had been treated as remuneration for the week, such employees shall be obligated to pay to the Company the lesser of the following amounts:

1. an amount equal to their Holiday Pay for the week in question, or,
2. an amount equal to either the unemployment compensation paid to them for such week or the unemployment compensation which would have been paid to them for such week if it had not been a waiting period.

The Company will deduct from earnings subsequently due and payable the amount which such employees are obligated to pay as provided above.

GENERAL PROVISIONS

(214) After consultation with the Shop Committee, the Company shall make reasonable rules in each plant regarding smoking. Any protest against the reasonableness of the rules may be treated as a grievance.

(215) Supervisory employees shall not be permitted to perform work on any hourly rated job except in the following types of situations: (1) in emergencies arising out of unforeseen circumstances which call for immediate action to avoid interruption of operations; (2) in the instruction or training of employees, including demonstrating the proper method to accomplish the task assigned. Complaints of repeated violations of this paragraph will be handled under the

provisions of Paragraph (5). For the purposes of this Special Procedure only, prior to being referred from the plant, the problem will be discussed between the Chairperson of the Shop Committee, the President of the Local Union, the Regional Servicing Representative, the Vice President and General Manager of Production Operations and the Vice President of Human Resources.

(216) A report of physical examination and any laboratory tests made by physicians acting for the Company will be given the personal physician of the individual employee involved upon the written request of the employee.

(217) Employees working on their regular shifts on pay day will be paid on the job in a manner that will not result in loss of time by the employee or loss of production. Employees who are not working on their regular shifts on pay day will be paid in accordance with the practice that is or may be established to meet local conditions.

Jury Duty

(218a) Employees with seniority in any Rolls-Royce Allison plant who are summoned and report for jury duty (including coroner's juries), as prescribed by applicable law, or who report for pre-jury duty examination required by the court or administrative governmental agency, shall be paid by the Company an amount equal to the difference between the amount of wages, including night shift premium, they otherwise would have earned by working during straight-time hours for the Company on that day and the daily jury duty fee paid by the court or agency (not including travel allowances or reimbursement of expenses), for the day on which they report for pre-jury duty examination, and for each day on which they report for or performs jury duty and on which they otherwise would have been scheduled to work for the Company.

Employees with an established shift starting time on or after 7:00 p.m. and on or before 4:45 a.m. (excluding scheduled overtime) will be excused from work on either their shift immediately preceding the jury service, or their shift immediately following the completion of the jury service, at the option of the employee. Such employee must notify their immediate supervisor of their election prior to being absent from work.

In order to receive payment, employees must give Management prior notice that they have been directed to report for pre-jury duty examination or have been summoned for jury duty and must furnish satisfactory evidence that they reported for such examination or reported for or performed jury duty on the days for which they claim such payment. The provisions of this Paragraph (218a) are not applicable to employees who, without being summoned, volunteer for jury duty.

Bereavement

(218b) When death occurs in an employee's immediate family as defined below, and the employee has seniority in any Rolls-Royce Allison plant, the employee, on request, will be excused for any of the first three (3) normally scheduled working days or the first five (5)

normally scheduled working days in the case of the death of an employee's current spouse or child (excluding Saturdays, Sundays and holidays) within ten (10) calendar days following the date of death provided the employee attends the funeral. The ten (10) calendar day provision may be extended over the Christmas Holiday Period to include the first three (3) scheduled working days after the holiday period. The immediate family for purposes of this Paragraph (218b) is defined as including the employee's:

- Spouse
- Parent
- Step-Parent
- Grandparent
- Great Grandparent
- Child
- Step-Child
- Grandchild
- Brother
- Step-Brother
- Half-Brother
- Sister
- Step-Sister
- Half-Sister
- Current Spouse's Parent
- Current Spouse's Step-Parent
- Current Spouse's Grandparent
- Current Spouse's Great Grandparent

In the event a member of the employee's immediate family as above defined dies while in the active service of the Armed Forces of the United States, the employee may, should the funeral be delayed, have the excused absence from work delayed until the period of three normally scheduled working days or five (5) normally scheduled working days in the case of the death of an employee's current spouse or child which includes the date of the funeral. In the event the body of a member of the employee's immediate family as above defined is not buried in continental North America solely because the cause of death has physically destroyed the body or the body is donated to an accredited North American hospital or medical center for research purposes, the requirement that the employee attend the funeral will be waived. In the case of an employee who is granted a leave of absence due to the illness of an immediate family member, as above defined, and such family member dies within the first seven (7) calendar days of the leave, the requirement that the employee otherwise be scheduled to work will be waived.

Employees excused from work under this Paragraph (218b) shall, after making written application, receive the amount of wages they would have earned by working during straight time hours on such scheduled days of work for which they are excused (excluding Saturdays, Sundays and holidays, or, in the case of employees working in

necessary continuous seven-day operations, the sixth and seventh work days of the employee's scheduled working week and holidays).

Requests for bereavement pay will be processed weekly with pay provided in the following week.

(219) With respect to any matter that is to be negotiated locally the Company will fully inform the Union and the Union will fully inform the Company, as to the limits, if any, set by higher authority upon the scope of the local negotiations.

Agreement Administration

(220) No provisions of any local agreements between local Plant Management and the Shop committee therein shall supersede or conflict with any provisions of this Agreement.

(221) No local agreement containing a termination clause shall be terminated except in accordance with such termination clause and then only if notice of termination is countersigned by the Director of the servicing department of the International Union or the Vice President of Human Resources of the Company, as the case may be.

(222) No provision of this Agreement shall be retroactive prior to the date hereof unless otherwise specifically stated herein.

Term of Agreement

(223) This Agreement shall continue in full force and effect without change until 11:59 P.M. (Indianapolis Time), February 25, 2005. If either party desires to terminate this Agreement, it shall 60 days prior to February 25, 2005, give written notice of the termination. If neither party shall give notice to terminate this Agreement as provided above, or to modify this Agreement as hereinafter provided, the Agreement shall continue in effect from year to year after February 25, 2005, subject to termination by either party on sixty (60) days' written notice prior to February 25 of any subsequent year.

If either party desires to modify or change this Agreement it shall, sixty (60) days prior to February 25, 2005, or any subsequent February 25 date, give written notice to such effect. Within ten days after receipt of said notice, a conference will be arranged to negotiate the proposals in which case this Agreement shall continue in full force and effect until terminated as provided hereinafter.

If notice of intention to modify or change has been given in accordance with the above provisions, this Agreement may be terminated by either party on thirty (30) days' written notice of termination given on or after next January 26, 2005 following said notice of intention to modify or change.

PENSION PLAN / OTHER BENEFITS PLANS - SUPPLEMENTS

(224) The parties have provided for a Pension Plan and other Benefit Plans, by Supplemental Agreements signed by the parties simultaneously with the execution of this Agreement, which Supplemental Agreements are attached hereto and made parts of this Agreement as if set out in full herein, subject to all provisions of this Agreement. No matter respecting the provisions of the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section shall be subject to the grievance procedure established in this Agreement, except as expressly provided in Paragraph (46) of this Agreement.

WAIVER

(225) The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Company and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

Partial Invalidity of Agreement

(226) **Partial Invalidity of Agreement** - Should the parties hereafter agree that applicable law renders invalid or unenforceable any of the provisions of this Agreement, including all agreements, memoranda of understanding, or letters supplemental, amendatory, or related thereto, the parties may agree upon a replacement for the affected provision(s). Such replacement provision(s) shall become effective immediately upon agreement of the parties, without the need for further ratification by the Union membership, and shall remain in effect for the duration of this Agreement.

Separability

(227) **Separability** - In the event that any of the provisions of this Agreement, including all agreements, memoranda of understanding, or letters supplemental, amendatory, or related

thereto, shall be or become legally invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions thereof.

In witness whereof, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and the year first above written.

International Union, UAW

Stephen P. Yokich

Ron Gettelfinger

Frank Musick

Mary K. Riordan

Tom Ladd

Rolls-Royce Allison

Lee Rhyant

Reeder Singler

John Dearth

Cornell Brooks

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

DOCUMENTS

Doc. No. 1

MEMORANDUM OF UNDERSTANDING

HEALTH AND SAFETY

The Company recognizes its obligation to provide a safe and healthful working environment for employees. We are committed to protecting the Health and Safety of each employee as the overriding priority of this Company. The implementation of actions to help our employees realize a healthy, injury-free environment is a leadership responsibility. The Union will cooperate in the Company's maintaining and improving a safe and healthful working environment. The parties agree to use their best efforts jointly to achieve these objectives:

- i. The Company agrees to:
 - a. Provide the necessary or required personal protective equipment, devices and clothing at no cost to employees.
 - b. Provide equipment for measuring noise, air contaminants, and air flow, including smoke tubes, which will be available for use by the representatives of the Local Joint Health and Safety Committee, established pursuant to Section III hereof. Industrial hygiene monitoring equipment authorized by the National Joint Committee or the Servicing Department of the International Union will be available as requested for use by the representatives of the Local Joint Health and Safety Committee.
 - c. Provide training for members of such Local Joint Health and Safety Committee, and appropriate education and training in health and safety for all employees.
 - d. Disclose, to the co-chairs of the National Joint Committee or the Servicing Department of the International Union, the identity of chemicals or materials to which employees are exposed, including any information regarding remedies and antidotes for such chemicals. Information contained in each such disclosure shall remain the property of Rolls-Royce Allison and will not be released without the expressed written permission of the Company.
 - e. Provide competent staff and medical facilities adequate to implement its obligation as outlined in (f) below.
 - f. Provide to employees who are exposed to potentially toxic agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests including audiometric examinations and lung function tests at a

frequency and extent necessary to determine whether the health of such employees is being adversely affected. Also, to provide the specific tests required for employees in jobs with special physical requirements.

Provide to each employee upon request a written report of the results of such examinations or tests which are related to occupational exposure. These results as well as those instances where it is determined that an employee has had a personal exposure exceeding the permissible levels as set forth in 29CFR-1910.1000, Air Contaminants, will be reviewed with the employee by the plant Medical Department prior to their release. Upon the employee's written request, copies of such information will be forwarded to the employee's personal physician. Problems regarding this procedure should be brought to the attention of Management.

In addition, in those instances where a breathing zone air sample is collected the employee will be notified of the results which will be entered on the employee's medical records.

- g. Provide access, upon reasonable notice, to all Company plants and locations to International Union Health and Safety Representatives. Reports of any findings or surveys generated from such visits will be provided to the National Joint Committee.
- h. Compile OSHA "Summary of Occupational Injuries and Illnesses" as it is now constituted, along with the total employee hours worked and incidence rate for each plant for the comparable period. Such information will be provided to the National Joint Committee.
- i. Direct Local Management and Local Joint Health and Safety Committee to provide prompt notification of fatalities, serious accidents or incidents including chemical spills, having potential for serious injuries or illnesses to the National Joint Committee or the Servicing Department of the International Union. After making appropriate arrangements, a prompt investigation may be made in accordance with the "Special Review Board" procedure.

II. Promptly following ratification of this Agreement, a National Joint Committee on Health and Safety will be established, consisting of two (2) representatives of the International Union and two (2) representatives of the Company. This National Joint Committee (NJC) shall:

- a. Meet semi-annually, or as otherwise mutually agreed upon. A summary listing of the items discussed at the meetings will be provided.
- b. Review the Company's safety and health programs and make timely recommendations.
- c. Review expenditures of Joint Health and Safety funds.

- d. Review problems concerning serious or unusual situations affecting plant health and safety and make timely recommendations.
- e. Review and analyze the health and safety data that the Company is now required to compile on OSHA "Summary of Occupational Injuries and illnesses" and Form 200S as they are now constituted.
- f. Receive and deal with matters referred to them by Local Joint Health and Safety Committee. Reports, studies, etc., may be submitted to the National Joint Committee or the Servicing Department of the International Union. The Local Joint Health and Safety Committee may request the National Joint Committee or the Servicing Department of the International Union to evaluate and/or interpret the reports, studies, etc. The National Joint Committee or the Servicing Department of the International Union will normally respond within thirty (30) days from receipt of such request.

III. A Local Joint Health and Safety Committee (LJC) will be established, consisting of the representatives appointed by the Company and the representative(s) appointed by the Director of the Union's Aerospace Department. The Union member(s) shall serve an indefinite term. The Union member(s) will receive, without personal cost, adequate and necessary training, to enable the effective performance of assigned functions.

Local Joint Health and Safety Committee members on different shifts in accordance with Document 46 may attend mutually agreed upon meetings. The Parties will allow the alternates for such members to handle current health and safety issues arising during the absence caused by the regular member's attendance at such meetings.

In the event that a Local Union Health and Safety Representative is absent for one day or more, including attendance at Joint Conferences, such representative will be replaced by an employee who has been designated as the alternate by the International Union. As soon as practical following the effective date of this Agreement, the Aerospace Department of the International Union shall provide to the Company the names of the employees so designated.

The Local Joint Health and Safety Committee shall:

- a. Meet at least once each month at a mutually agreeable time and place to review health and safety conditions within the plant and make such recommendations in this regard as they deem necessary or desirable. The Industrial Hygiene Technician will attend the regular monthly meeting. The Local Joint Health and Safety Committee will coordinate the activities of all appointed safety personnel at its plant (e.g., Industrial Hygiene Technicians, Ergonomic Technicians, etc.). Periodically the Local Health and Safety Committee will review the associated functions performed by International and local appointees (e.g., Industrial Hygiene Technicians).

Ergonomic Technicians, etc.) to ensure effective utilization of human resources and eliminate duplication of assignments. Discussion should include concerns from all areas of health and safety brought to the attention of the Local Joint Health and Safety Committee.

- b. Develop an appropriate training program to be established for Union members of the Local Joint Health and Safety Committee. Annual training programs agreed to by the National Joint Committee or the Servicing Department of the International Union will be provided to the Local Joint Health and Safety Committee so that they may perform their functions satisfactorily.
- c. Develop guidelines for employee training and education. Review, recommend, approve and participate in local safety education and information programs.
- d. Review and analyze federal, state or local standards or regulations which affect the health and safety programs within the Company.
- e. Make a health and safety observation tour once each two weeks. Prior to such observation tours, a review may be made of OSHA Form 200 accident experience. Investigate promptly major accidents as defined by the National Joint Committee or the Servicing Department of the International Union. Receive prompt notification of any employee fatalities or serious accidents resulting from work related injuries. When such events occur during the 2nd or 3rd shift, the Management member of the Local Joint Health and Safety Committee will notify the Union member, inform the representative of the facts, and arrange upon request, for the representative to enter the plant and investigate such events.
- f. Accompany Federal and State OSHA Governmental Health and Safety inspectors on compliance inspections. Accompany International Union Corporate or consultant Health and Safety professionals on regular surveys and those requested by the Union.

Rolls-Royce Allison maintains an Industrial Hygiene staff to monitor plant environmental conditions that may adversely impact the health of its employees.

Copies of any reports generated from such monitoring and/or surveys will be provided to the Local Joint Health and Safety Committee. Copies of reports will be forwarded to the co-chairs of the National Joint Committee or the Servicing Department of the International Union by the Local Joint Health and Safety Committee when appropriate.

Reports and/or results of such surveys shall be for the use of the Local Joint Health and Safety Committee or the National Joint Committee or the Servicing Department of the International Union.

Information contained therein shall remain the property of Rolls-Royce Allison and will not be released without the expressed written permission of the Company.

The Union does not waive any rights provided by federal or state law by such accompaniment.

- g. Review lost time accidents and other major accidents, as defined by the National Joint Committee or the Servicing Department of the International Union which occur in the workplace and do not result in lost time, and also review plant safety reports on such accidents and make any necessary or desirable recommendations.
- h. Receive a copy of the plant's report on OSHA "Summary of Occupational Injuries and Illnesses" and the facility's total employee hours worked and the incidence rate for the comparable period.
- i. Review Incident Investigation forms (example, the GT-212 Accident Report) which would include an analysis to determine the root cause so that appropriate corrective actions can be developed.
- j. Where necessary, measure noise, air contaminants, and air flow with equipment provided by the Company and observe the use of appropriate industrial hygiene and safety testing equipment as required when available in the plant. The Local Joint Health and Safety Committee may take or be provided copies of photographs taken which relate to health and safety matters in the plant, and forward them to the co-chairs of the National Joint Committee or the Servicing Department of the International Union, if appropriate. Such photographs (including video tapes, etc.) shall be for the confidential use of the Local Joint Health and Safety Committee, the National Joint Committee or the Servicing Department of the International Union only and shall not be reproduced, published and distributed in any way without the expressed written consent of Rolls-Royce Allison.
- k. Be advised of breathing zone air sample results and known physical agents or chemicals to which employees are exposed and protective measures and applicable emergency procedures. In addition, whenever it is determined that an employee has had a personal exposure exceeding the permissible level as set forth in 29CFR 1910.1000, Air Contaminants, and General Motors Occupational Exposure Guidelines, the Local Joint Health and Safety Committee shall be informed in writing of such exposure and the corrective action to be taken.
- l. A management and a union member of the Local Joint Health and Safety Committee will serve as members of the Plant Hazardous Materials Control Committee.
- m. When either member of the Local Joint Health and Safety Committee has a reasonable basis for concluding that a condition involving imminent danger exists, relevant information shall be immediately communicated to the co-committee

member so that joint investigation can be carried out immediately and necessary or desirable recommendations made. Upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

IV. Complaint Procedure

- a. Each District Committeeperson shall conduct a safety observation tour of his or her district one weekday each week for the purpose of examining health and safety conditions. The Committeeperson may call for the Union representative of the Local Joint Health and Safety Committee to take measurements of noise, air flow and chemical exposure utilizing equipment authorized by the National Joint Committee or the Servicing Department of the International Union where appropriate training has been completed. The District Committeeperson will discuss with the supervisor and, failing successful resolution, with higher supervision, any problems which the Committeeperson feels require correction. Every reasonable effort shall be made to settle the complaint at this point through discussion. If the problem remains unresolved, the Committeeperson may complete a "Health and Safety Complaint Form" in writing, in quadruplicate, which will include a statement of all the facts of the complaint.
- b. Complaints by employees concerning health and safety issues may be taken up in accordance with Paragraph (29) of the Rolls-Royce Allison-UAW Agreement with the understanding, however, that the Committeeperson, if called, will discuss the matter with the supervisor and, failing resolution, with higher supervision. If the matter is still not resolved, the Committeeperson may complete a "Health and Safety Complaint Form," as described in (a) above.
- c. The member of higher supervision will give Management's answer promptly in writing on the "Complaint Form". The Committeeperson will give to higher supervision two (2) copies of the "Complaint Form" and transmit one (1) copy to the Union representative of the Local Joint Health and Safety Committee.
- d. The Local Joint Health and Safety Committee will within two (2) working days visit the area where the complaint arose and observe the conditions complained of. Within a maximum of three (3) working days from the day of their visit, the Local Joint Health and Safety Committee will answer the complaint in writing. A unanimous decision by the Local Joint Health and Safety Committee will settle the issue. Failing such unanimous decision, the complaint will be discussed at a special conference attended by the Union and Management members of the Local Committee, the Chairperson of the Shop Committee or the Chairperson's designated representative, and another member of Management. If the parties are unable to resolve the complaint in the special conference, the complaint will be answered by Local Management within five (5) working days. Thereafter, Paragraph (37) of the Rolls-Royce Allison-UAW Agreement will be applicable. Thereafter, the regular

Grievance Procedure of the Rolls-Royce Allison-UAW Agreement will be applicable.

- e. Health and safety complaints affecting substantial groups of employees may be initiated by the Health and Safety Representative. To do so, the representative shall submit a completed "Health and Safety Complaint Form" to the Chairperson of the Shop Committee. Should the Chairperson of the Shop Committee, upon investigation of the complaint, determine that the complaint has merit, the Chairperson shall sign the form and present it to Management in a special conference as outlined in IV (d) above within five (5) working days.

V. Nothing herein shall be construed to restrict any employee's rights under Section 502 of the Labor-Management Relations Act, 1947, as amended.

VI. No provision herein will restrict the right of the Chairperson of the Shop Committee, Zone Committeepersons or District Committeepersons to perform their functions under the terms of the National Agreement and locally negotiated agreements.

A Health and Safety Representative, who is appointed by the International Union, shall have only the duties and functions as set forth in this Memorandum and attachments dealing with Health and Safety. Such representative shall be subject to the provisions of the following paragraphs of the Rolls-Royce Allison-UAW Agreement: Paragraphs (17), (19), (20), (21a), (21b), (22), (22a), (22d), (23), (23a), (24), and (27). Although it is recognized that they are not Zone Committeepersons, during regular hours the Health and Safety Representatives shall be paid and shall be scheduled to report at the plant for Health and Safety representation purposes in the same manner as a Zone Committeeperson, with a designated Health and Safety representation area on the representative's shift as the zone. During other than regular hours, the representative will be scheduled to report for Health and Safety representation purposes as follows:

- a. During overtime, part-time or temporary layoffs, or inventory when three hundred (300) or more or fifty percent (50%) or more of the people on the representative's shift in the representative's Health and Safety representation area are scheduled to work. In addition, when new equipment and/or processes are being installed or tried out and one hundred (100) or more of the people on the representative's shift in the representative's Health and Safety representation area are scheduled to work.
- b. During shutdown for model change, or for plant rearrangement when one hundred (100) or more of the people on the representative's shift in the representative's Health and Safety representation area are working on model change or plant rearrangement work.
- c. During overtime hours, when less than three hundred (300) or less than fifty percent (50%) of the people on the representative's shift in the representative's Health and Safety representation area are scheduled to work, they will not function pursuant to

this Memorandum of Understanding, but the representative will be considered for work in the representative's equalization group in accordance with Paragraph 71 of the National Agreement.

Finally, nothing in this Memorandum of Understanding, the attachments hereto, various policy letters on health and safety, or the joint health and safety training materials is intended nor should it be taken to impose upon the International Union, Local Unions, Union Health and Safety Committee, Union Officials, employees or agents, a legal or financial liability for either the health and safety of Rolls-Royce Allison employees or for work connected injuries, disabilities, diseases or related losses incurred by employees of Rolls-Royce Allison or its subsidiaries or by third parties while on the property of Rolls-Royce Allison or its subsidiaries.

**ATTACHMENT "A" TO THE
MEMORANDUM OF UNDERSTANDING
HEALTH AND SAFETY**

Rolls-Royce Allison recognizes that employees are its most important asset. The health and safety of employees is vital for the effective and efficient operation of the Company.

In recognition of that principle, the parties agreed to the "Memorandum of Understanding on Health and Safety" during 2000 Negotiations. The Memorandum provides an excellent framework for the joint efforts in health and safety within Rolls-Royce Allison. The Local Joint Health and Safety Committee provided for in the Memorandum of Understanding is effective at resolving most health and safety concerns within Rolls-Royce Allison plants. The Company and the UAW have worked jointly in an innovative manner to identify and correct potential hazards.

The UAW and Rolls-Royce Allison have entered into the following Memorandum of Understanding which embodies the spirit of the concern shared by the UAW and Rolls-Royce Allison for the health and safety of employees. The parties have recommitted to jointly work toward a safer workplace through the joint involvement of all employees.

The Company shall continue to recognize its obligation to provide a safe and healthful working environment for employees during working hours. The Union will cooperate with the Company's efforts to fulfill its obligations. To implement and coordinate these principles, a National Joint Health and Safety Committee and a Local Joint Health and Safety Committee have been formed, trained and empowered to function dealing with a broad range of the subject matter. Included in this Attachment "A" to the Memorandum of Understanding is a Review Board process designed to enhance Health and Safety awareness and compliance across Rolls-Royce Allison, review health and safety performance and monitor the implementation of its health and safety programs. The parties continue to recognize their roles and responsibilities, for assuring that all Rolls-Royce Allison employees have safe and healthy work environments. The function of the National and Local Joint Health and Safety Committees should be technically constructive and problem resolution oriented.

In keeping with the purpose and intent of this Memorandum of Understanding and other related health and safety documents contained herein, the Union reaffirmed its commitment to communicate to its members the need to utilize the internal processes available to resolve health and safety matters.

The parties recognize that a joint commitment must be directed toward achieving a safe and healthy workplace. Therefore, it shall be the responsibility of the National Joint Committee or the Servicing Department of the International Union, as the mechanism, to guide in an appropriate direction.

The parties have resolved the health and safety issues raised during these negotiations as follows:

FUNDING: HEALTH AND SAFETY ACTIVITIES

The Executive Review Board - Joint Activities will direct and support the joint health and safety activities of the Company. These shall include health and safety training for skilled and production/support employees, and expenses associated with the purchase and installation of equipment to improve communication of health and safety information between the Company and the International Union. To assure adequate funding for these activities, the Company will make available funding at four cents (4¢) per hour worked. These funds will be accumulated by and coordinated administratively on behalf of the Executive Review Board by the Key 4. In the event this Fund is depleted, subsequent funding for future reoccurring expenses, if approved, will be made available through Plant training funds.

CORRECTIVE COUNSELING

Rolls-Royce Allison recognizes the responsibility of management to provide appropriate training, leadership, counseling and corrective action as necessary to eliminate unsafe practices or conditions from the workplace. Management and the Local Joint Health and Safety Committee (LJC) shall provide appropriate technical resources, safe practice instructions, support training and counseling. Unsafe practices or conditions that are observed normally require prompt action. Management, so notified and/or observing such unsafe practices or conditions should take appropriate action promptly and document such action. The LJC will assist in counseling employees regarding audiometric testing, blood lead, pulmonary function testing, etc. Action taken to improve safety performance of employees should be documented and copies retained by the LJC on a permanent basis.

SPECIAL REVIEW BOARD

The parties are committed to preventing fatalities and serious injuries. In the event of such an incident, a Special Safety and Health Review Board will be convened at such time as appropriate upon the request of the National Joint Health and Safety Committee (NJSC). The Special Review Board will consist of members of the NJSC, UAW Servicing Representatives, the Local Chairperson and the Plant Manager. The LJC, and/or other officials or resources, as deemed appropriate by the NJSC, may be invited to attend as observers. The Special Review Board will meet at a site designated by the NJSC. The LJC will provide technical support for the Special Review Board's efforts. The Special Review Board will normally convene one week after notification by the NJSC, and issue its recommendations within two weeks after concluding its review.

The purpose of the Special Review Board will be to recommend improvements in Safety and Health practices. The primary tool to accomplish this objective will be a complete safety hazard analysis of the job or operation at issue. This analysis will be conducted by a joint team designated by the NJSC. An action plan will be developed by the Special Review Board. Senior

Operating Management will assess the *implementation and progress of the action plan* after an appropriate lapse of time as established by the Special Review Board.

VIDEO FILMING AND REPORTS

A video camera will be provided for use by the LJC. The operation or job site may be videotaped, without comment, for informational purposes. This equipment will be operated under the direction of the LJC. Any video tape made of a job or operation will not be copied or released except under the direction of the Special Review Board. A confidential copy edited to remove proprietary, and/or other restricted information will be provided to the Aerospace Department of the International Union upon request.

FINAL REPORT

A video taped report may be prepared at the request of the Special Review Board. The purpose of the report is to convey factual information and recommendations. The presiding Operating Manager on the Special Review Board will be responsible for arranging to have the interim written and/or video report presented to the next scheduled NJC meeting. All such information, video tapes, etc., shall remain the property of Rolls-Royce Allison and will not be released without Rolls-Royce Allison's expressed written permission.

JOINT RESEARCH AND OCCUPATIONAL HEALTH

The National Joint Health and Safety Committee will be responsible for evaluating the need for occupational health research based on its need, practicability and recognized benefits. The results of research conducted within Rolls-Royce Allison facilities will only be used for purposes specifically authorized by the National Joint Committee or the Servicing Department of the International Union.

During the term of the 2000 Rolls-Royce Allison-UAW Agreement, the NJC will, as necessary, institute, review and revise operating procedures and guidelines for research programs, and enhance communication pertaining to sponsored research. Included in the guidelines will be core criteria to assess proposed research in terms of its potential impact on worker health and safety, the established need for such study, its practicability, as well as the recognized benefits and probability of success. Where warranted, and based on confirmed results of sponsored studies, the NJC will devise an action plan and make appropriate recommendations for implementation. The NJC will monitor research conducted at other UAW-represented facilities in an effort to use applicable findings to reduce exposure levels of any hazardous substance.

ERGONOMICS

Rolls-Royce Allison and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America recognize that cumulative-trauma disorders (hereafter "CTDs") are an occupational illness. The parties also recognize that the control of CTDs is a complex issue often requiring the application of a number of different control methods and technologies that may differ from operation to operation. These include ergonomically appropriate design, which includes feasible engineering and administrative controls that materially reduce or eliminate job-related CTD stressors, employee and supervisory training and education, early recognition of the problem, early and proper medical diagnosis, treatment and care.

Rolls-Royce Allison will continue to administer an Ergonomics Program for all UAW-represented employees utilizing guidelines established between The Company and the International Union, UAW. Rolls-Royce Allison recognizes the accomplishments of the joint ergonomics process and realizes the need to improve the process to further reduce work-related CTDs. The Company is committed to progressively pursue improving and enhancing the current process with the UAW. The purpose of the program is to deal cooperatively and constructively with the problem of CTDs in the workplace.

The Local Joint Health and Safety Committee (LJC) will assume responsibility for supervising and supporting the ergonomics program. The parties will establish a Joint Ergonomics Technician Team. The LJC will identify the resources who will be trained to perform the responsibilities of the Joint Ergonomics Technician Team, as needed, to administer the Ergonomics Program, based on the following formula:

# of UAW-Represented Employees	# of Full-Time Ergonomics Technicians
750-1999	1
2000 or more	2

If the level of ergonomic activity does not sustain the number of Joint Ergonomic Technicians assigned, the LJC can petition the NJC for a variance. In addition, the LJC can request additional interim resources if the ergonomic needs exceed the level the Joint Ergonomics Technician Team can be reasonably expected to accomplish in a timely manner. The LJC may refer unresolved issues or concerns to the NJC.

The NJC will establish selection criteria for the Joint Ergonomics Technicians. The UAW Technicians will be selected from the local work force and appointed to the position by the Aerospace Department of the International Union within three months of ratification of this Agreement.

The responsibilities of the Joint Ergonomics Technician Team will include, but not be limited to, the following:

- Conducting job analysis
- Providing recommendations for corrective action

- Monitoring the implementation of job improvements
- Conducting review and follow up
- Reporting monthly to the Local Health and Safety Committee

The Joint Ergonomics Technician Team will coordinate their efforts through the LJC, and resources from appropriate departments, e.g., Medical, Engineering, Skilled Trades, and Production, will be made available to support the Joint Ergonomics Technician Team. The Joint Ergonomics Technician Team will report monthly at each LJC meeting and keep minutes specific to ergonomics. Quarterly reports will be provided to the LJC. The status of the ergonomics process will be reviewed at the NJC meeting. Discussions concerning significant problems or roadblocks will take place at these meetings.

The parties agreed to use a jointly developed process for the use of outside consultants in situations where in-house efforts concerning reduction of job-related CTDs are not successful. The consultant's reports will be made available to both the Joint Ergonomics Technician Team and the co-chairs of the NJC.

Based on the results of the job analysis program, the Company shall implement feasible measures to control CTD risk factors. A good-faith effort will be made to accomplish correction of identified CTD hazards at a particular job or work station within six (6) months after the Joint Ergonomics Technician Team determines that corrective action is required. The parties acknowledge that there may be times when it may take longer than six (6) months to make the proper correction, and the reasons need to be documented. The corrective action will include any combination of the following:

- Engineering controls such as design, selection, location and orientation of tools, parts and equipment.
- Administrative controls (e.g., job enlargement, job rotation, and appropriate job assignment), to be used in the following manner:

As interim abatement measures pending engineering changes.

When engineering changes are determined to be insufficient to significantly reduce the CTD stressors, and

In those instances when an administrative control is the most effective fix among the possible choices for corrective actions.

The LJC will monitor the corrective actions being implemented and any unresolved issues or concerns can be referred to the NJC.

The Company will inform and instruct affected employees on the controls implemented at their work stations and how they are to be used.

The Company will maintain documentation of modification activity, including, the job or work station identified for modification, number of employees affected, the nature of modification, the projected completion date, the actual completion date and, where available, the cost of the modification when completed.

The Company will include "ergonomics" in their planning process and this information will be available to the Joint Ergonomics Technician Team.

For the purpose of job analysis, ergonomic consideration will be given to jobs identified through the use of OSHA Injury and Illness records, medically confirmed symptoms questionnaires, Worker Compensation reports, and work-related sickness and accident data. Based upon the above data, a list of jobs requiring analysis will be maintained. The job analysis will be conducted using a jointly developed Risk Factor Checklist, as a first level screening tool. The parties agree to develop objective and scientific methods to analyze the results of a Risk Factor Checklist completed on a job. A good-faith effort will be made to conduct the initial job analysis within two (2) months of when a job is identified as having a potential CTD risk factor. Job analysis and redesign will include input from employees whose jobs are affected. The original Risk Factor checklist will be used, along with a Symptoms Questionnaire to re-evaluate the controls that were implemented to confirm their effectiveness.

The joint parties will provide appropriate training for the Joint Ergonomics Technician Team as well as other resources necessary for conducting the ergonomics process. This training may include Practical Ergonomic Training (PET), with the understanding that any person receiving PET may conduct a first level job analysis using the Risk Factor checklist.

The UAW-Rolls-Royce Allison Ergonomics Awareness Education and Training Program will continue to be provided for newly hired employees as well as employees returning to work from an extended leave, who have not received awareness education and training previously. All newly hired and transferred employees will be informed on the proper use of the tools and equipment required to be used in the performance of their assigned duties.

The Company shall annually review with employees the application of ergonomic principles to the prevention of CTDs on their jobs during regular safety talks.

The parties agree to continue to maintain a Medical Management Program for the early detection, evaluation, and treatment of CTDs at all UAW-Rolls-Royce Allison facilities. The Medical Management Program will provide for common medical practice guidelines for patient evaluation and treatment, follow-up, workplace walk-throughs, and restricted work placement.

The Company agrees to continue implementation of a CTD Education and Training Program for medical physicians (including contract personnel) that render medical services related to CTDs. The introduction in this training includes the effect of poor job design, identifying problem jobs, and potential solutions based on ergonomic stressors. This training also includes medical instruction and early recognition, evaluation, treatment, and prevention of CTDs. All medical personnel (including contract personnel) will receive CTD education and training prior to

rendering medical services related to CTDs. The Company Medical Director will ensure that appropriate CTD training has been provided.

Employees will be encouraged by the Medical Department staff, departmental supervision, and Joint Ergonomics Technician Teams to report early signs and symptoms of CTDs to the Company's Medical Department. Symptoms Questionnaires will be conducted annually by the Medical Department, to look for early signs and symptoms CTDs. An employee with a possible CTD, as indicated in the questionnaire, will be scheduled to report to the Medical Department. A brief non-invasive examination for the evaluation of the possible CTD will be performed by a physician or nurse. In instances where it has been determined that early signs and symptoms of CTDs are confirmed, the completed Symptoms Questionnaire and pertinent information from the medical evaluation will be referred to the Joint Ergonomics Technician Team.

Rolls-Royce Allison will audit a random sample of medical records, Workers Compensation reports, and work-related sickness and accident data to verify the OSHA 200 log is correct.

The Company Medical Director is responsible for the quality, implementation, and compliance by the Medical Department with the Medical Management Program, as it applies to ergonomics. This program will be reviewed periodically for continuous improvement and elimination of unnecessary complexity.

The parties agree that a transition period will be required to implement this structure and process. Therefore, three (3) months following ratification of the Agreement, a date will be named after which new jobs requiring analysis will be identified based on a review of OSHA Injury and Illness, Worker Compensation reports, and work-related sickness and accident data. During the transition period, The Company will complete the analysis of the jobs on record at the start of the transition period, plus any new jobs as previously defined. This analysis should be completed no later than nine (9) months following the date of ratification.

The NJC will monitor implementation of this process and consider changes for continuous improvement.

HEALTH AND SAFETY TRAINING

The Local Joint Committee (LJC) will be responsible for identifying employee job-related health and safety education and training needs which are mandated by the government or would be applicable across UAW-Rolls-Royce Allison sites.

A training needs analysis will be conducted to identify health and safety training needs. Based on this analysis, a comprehensive training plan will be developed, and the necessary resources will be identified to provide such training. The Plan will specify target audiences, recommendations for completion dates, class size, and methods of delivery. The Plan will be reviewed by the NJC, to ensure consistency with requirements. The LJC shall be responsible for monitoring the progress of their training plan.

The UAW-GM Health and Safety Center may continue to provide training resources for use by Rolls-Royce Allison. The LJC will direct and oversee the development and administration of required training courses for use at Rolls-Royce Allison. Alternatively, the LJC may approve the use of other commercially-developed courses. The LJC will establish the appropriate selection criteria for plant health and safety trainers. Trainers selected will receive necessary instruction in conducting the specific training. Hourly plant trainers will be selected by the Local Union.

Required Health and Safety training will be introduced to plants by top Union Leadership and Company Management.

LOCKOUT POLICY

During the current negotiations the UAW and Rolls-Royce Allison discussed their mutual concern regarding fatalities and serious injuries to employees, including operators performing repair, service and maintenance activities on machinery and equipment. The parties agreed that, to be effective, the Lockout Energy Control program must be universally implemented and enforced throughout the Company. The parties reaffirmed that the elimination of the potential for injury from hazardous energy is critical to worker safety.

It is the policy of Rolls-Royce Allison and endorsed by the UAW that:

- Lockout is required where employees may be exposed to hazardous energy which could cause injury. Exposure means that the employee is in a position to be injured by released energy.
- Where an employee is exposed to potential injury from expected machine energy/motion, the exposure must be eliminated. If the exposure cannot be eliminated, the machine will be locked out.

The Company will maintain an effective Lockout - Energy Control program which will apply to all employees based on jointly developed implementation guidelines.

MONITORED POWER SYSTEMS

The UAW and Rolls-Royce Allison recognize the importance of designing processes and equipment with effective health and safety controls. Therefore, during these discussions, the parties agreed to evaluate the results of pilots conducted in UAW-represented facilities to determine whether "Monitored Power Systems" could be integrated into the existing Lockout/Energy Control procedures. The fundamental process to be followed starts with performing an initial risk assessment on any process where "Monitored Power Systems" may be appropriately used.

The use of these systems will be integrated into the existing Lockout/Energy Control procedures, when appropriate, to further reduce and eliminate the risk of exposure to employees. However, it is understood by the parties that Lockout must still be performed whenever the exposure cannot be controlled or eliminated as determined by the risk assessment.

UAW-ROLLS-ROYCE ALLISON HEALTH PROMOTION

The UAW and Rolls-Royce Allison will develop a health promotion program which will be made available for use by all UAW-represented employees. This program, to be supported by joint funds to the extent agreed upon by the Executive Review Board for Joint Activities, is designed to focus on leading factors such as hypertension (high blood pressure), high levels of fat (cholesterol) in the blood, overweight, cessation of tobacco smoking, prevention of the spread of AIDS, and certain other factors, which place employees at high risk of disease. Among other tools developed to accomplish this is a health assessment questionnaire to be completed by participating employees.

Consideration for the inclusion of additional diagnostics such as lung function and/or glucose tolerance will be determined by the NJC. The NJC will monitor the program and its usage and make necessary adjustments to encourage participation.

FITNESS CENTERS

The Parties recognize that General Motors and the UAW have developed a fitness center needs analysis for use by UAW represented facilities in determining the desirability of such a center at their location. In addition, guidelines for fitness center operation have been developed and will be made available to UAW-represented facilities that operate or are desirous of operating such centers. Should Rolls-Royce Allison be desirous of operating such a center, a needs analysis and plan will be submitted to National Joint Committee or the Servicing Department of the International Union for review to assure it is consistent with the above-referenced guidelines. Local Joint Health and Safety Funds may be used to establish this activity, subject to approval by the National Joint Committee or the Servicing Department of the International Union.

REFUSAL OF HAZARDOUS WORK

A worker who has a reasonable belief that their work assignment may result in serious physical injury, including illness, should immediately notify supervision. Failing resolution, the issue may be discussed with the District Committee person.

Should technical consultation be necessary, the LJC will be notified to respond. In line with the Memorandum of Understanding on Health and Safety, upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

Failing resolution of the matter, it may be taken up in accordance with the Memorandum of Understanding on Health and Safety, Section IV, Complaint Procedure.

IMPROVEMENT OF MEDICAL AND INDUSTRIAL HYGIENE SERVICES

The Company reserves the right to select and hire appropriate consultants for health and safety services. The Union will be informed in advance and be provided an account based on specific legitimate requests regarding qualifications of the consultant(s) engaged by the Company to provide services. The Union may recommend consultants for Management's consideration. Included in such recommendation should be an account of the qualifications of the consultants recommended by the Union.

The LJC will be informed regarding the engagement of consultants to provide industrial hygiene and safety services. Qualifications of such consultants will be provided upon request. Reports prepared by such consultants will be provided to the LJC, who will provide a copy to the Industrial Hygiene Technician and the co-chairs of the NJC. Management in conjunction with the LJC will assess the need and where required, the Company will develop and implement an air sampling plan. Such a plan will be reviewed and implemented on an appropriately scheduled basis. Guidance in the preparation of such plan will be provided by the NJC. Based upon the air sampling plan, an hourly employee selected by the Servicing Department of the International Union, working under the technical supervision of an Rolls-Royce Allison Industrial Hygienist, may assist in the collection of air samples. Job function key elements of the Industrial Hygiene Technician will be established by the LJC and the appointee will demonstrate competency by successfully completing required training determined by the LJC. Reports of industrial hygiene and noise measurement surveys will be provided to the LJC who will provide it to the co-chairs of the NJC, when appropriate.

ENVIRONMENTAL CONTROL

Environmental information and reports, which are required to be reported to various governmental regulatory agencies, will be made available to the LJC on a regular basis. This information may include, for example, the local Toxic Release Inventory compiled to comply with the Superfund Amendments and Authorization Act, copies of environmental permits and compliance monitoring data. The Company will notify the LJC of significant environmental remediation projects, and spills or releases that are subject to government reporting requirements. The LJC will forward such information to the co-chairs of the NJC, when appropriate.

PERIODIC JOINT AUDITS OF PLANTS

The UAW and Rolls-Royce Allison agree that a formal system of performance review is an effective means of obtaining and re-enforcing compliance with established Health and Safety requirements. The parties, therefore, agree that the NJC will ensure that audits are conducted to

evaluate each facility's health and safety performance. The purpose of the audits is to review the effectiveness of health and safety activities reaching the operations level and being implemented across the workplace. The parties also agree to develop methods to assure the process is consistently applied and delivers measurable results. Additionally, the parties agree to develop a method to address repeat audit findings for identical deficient conditions found on consecutive audits.

A plant visit itinerary will be established by the NJC which will be scheduled through appropriate channels. The team will meet with the Plant Manager, Shop Committee Chairperson and the LJC before beginning the performance review, and have a closing conference upon completion of the on-site review. The finalized report will be prepared and sent to the LJC within thirty (30) days of the review. Following the finalized report, the LJC will review the findings with the Key 4, and will reply, addressing issues contained in the report. All such review information shall remain the confidential property of Rolls-Royce Allison and will not be released without the expressed written permission of Rolls-Royce Allison.

The parties agree that through the joint audit process, they will verify that all facilities have an effective emergency notification system and that it is periodically tested to achieve the best possible response time for the emergency involved.

NEW TECHNOLOGY/SPECIFICATIONS

Rolls-Royce Allison and the UAW recognize the advantages of designing processes and equipment with effective health and safety controls. The parties will establish a joint team, under the direction of the LJC, to address health and safety concerns early in the development process. The main objective to this "Design-In" effort is to develop design specifications for application across the Company, in the manufacturing processes, that incorporate health and safety program requirements. The joint team will serve as a technical resource to work with the engineering group to assure that UAW-Rolls-Royce Allison health and safety program requirements are incorporated into the common design specifications.

In an effort to promote improved communications regarding such matters, as early as possible and preferably in the zero phase of the planning process, a review of anticipated equipment and/or processes with the Shop Committee and the LJC will be held. The Union will have an opportunity to discuss health and safety concerns with Management and make recommendations designed to improve the equipment and/or process, consistent with the design specifications where they have been established by the "Design-In" activity. The LJC may be required to travel to vendors, plants or other locations to review such equipment and/or process.

Machinery, equipment or processes will not be released for production without the written approval of the Plant Safety Administrator. Where required, lockout placards will be posted for all applicable energy sources. The parties have committed themselves to continue the implementation of the UAW-Rolls-Royce Allison Lockout Placard Guidelines. These placards

will continue to be reviewed during a joint audit and should be reviewed during safety observation tours.

The LJC will consult with operators, skilled trades, engineers, supervisors or related personnel to ensure that required safeguards provide effective protection and do not interfere with their ability to perform their assigned tasks.

The NJC will oversee development of communications material regarding the "Design-In" safety activity for the LJC. This material may include informational material, guidelines, standards checklists, or any other appropriate material to clearly communicate the design specifications.

The parties will continue their efforts to integrate health and safety in the 4-Phase Process and pursue the establishment of a Quality Network strategy to accomplish such integration.

CONTROL OF CHEMICAL EXPOSURES

The Parties recognize that future studies may be conducted by the Occupational Health Advisory Board (OHAB) focused on establishing exposure guidelines and controls for the use of machining fluids. As OHAB issues findings from the studies, the LJC will, to the extent possible, devise an action plan and make appropriate recommendations regarding machining fluid exposures. Such action plan may include medical surveillance for respiratory effects of machining fluids for employees who regularly work in operations with machining fluids, including a standardized respiratory symptoms questionnaire and pulmonary function test.

The LJC will review process exhaust ventilation systems where air is recirculated. Such review will be in accordance with guidelines established by the NJC. Air testing will be performed when requested by the LJC. To the extent feasible, these tests will be incorporated in the previously described air sampling plan. Recirculation will not be permitted where employee health and safety cannot be assured.

Records of laboratory testing and coolant additions will be maintained and made available to the LJC upon request.

ACCESS TO DATA

The National Joint Committee or the Servicing Department of the International Union will implement a represented employees' mortality registry to provide agreed upon information upon approval of necessary funding by the Executive Board - Joint Activities.

DISE ABATEMENT PROGRAM

The Company will review with the Local Joint Health and Safety Committee and the Shop Committee in sufficient detail the noise abatement programs currently in effect and those it is planning to undertake. Management will supply this information in writing with the understanding that the Union will have ample opportunity to discuss the noise abatement program with management and make recommendations designed to improve upon it. The information will include the following:

- Copies of the plant's noise abatement program.
- Summary of audiometric tests.
- The number of employees that experienced standard threshold shift.
- The number of employees that are required to wear hearing protection.

PLANNED MAINTENANCE

The National Joint Committee or the Servicing Department of the International Union will jointly identify health and safety requirements to be integrated into the Quality Network "Planned Maintenance Action Strategy." These requirements will include both those that are regulated by government agencies and those established in UAW-Rolls-Royce Allison programs. The Local Joint Health and Safety Committee will also review the "Planned Maintenance Action Strategy" to assure all regulations and/or practices currently in effect are included.

WORKING ALONE

The parties have discussed the Company's policy regarding the assignment of employees to tasks in isolated locations or confined entry spaces. The Company explained that when work assignments involve situations hazardous to an employee, appropriate precautions will be taken in accordance with safe work practices, including air sampling and ventilation when necessary, communications systems, personal surveillance arrangements and, as required, adequate support personnel. When an employee brings to Management's attention a situation where they are reasonably concerned that their safety is jeopardized because they are working alone, Management will provide a copy of an applicable written Safe Operating Practice to the employee detailing precautions to take to perform the task safely and within 24 hours make a written request to the LJC for the development of a Safe Operating Practice. Safe Operating Practices will be developed by the LJC within 5 working days.

NO HANDS IN DIES POLICY

The Company policy has been and continues to be 'No Hands in Dies'. Implementation of 'No Hands in Dies' in the plant requires provision for expendable hand feeding tools, slide feeds

sliding bolsters, automatic or semi-automatic operation, die cutouts or other means and procedures whereby the operators are not required to place their hands into the point of operation. In addition, well disciplined procedures for use of die blocks and safety lock-outs for maintenance and setup personnel are imperative. An intensive orientation program for operating supervisors, and process and facilities engineers may also be advisable.

CONTRACTOR SAFETY

It is the Company's practice to provide outside contractors with Rolls-Royce Allison Health and Safety policies and procedures and, where applicable, relevant site specific health and safety work practices. Additionally, Rolls-Royce Allison requires that construction or maintenance contractors comply with applicable Federal, State, and Municipal Health and Safety regulations as stipulated in the Rolls-Royce Allison/contractor contract.

Where the nature of the construction or maintenance requires that the contractor's employees work together with UAW-Rolls-Royce Allison employees, the Company will require as a condition of the construction or maintenance contract the contractor's commitment to abide by applicable UAW-Rolls-Royce Allison plant/site health and safety work practices.

Sourcing

During the 2000 negotiations, the Rolls-Royce Allison and the Union discussed the critical link between sourcing actions and the impact on employment opportunities and job security. To that end, the Company will work with and assist the Union at both the Local and International levels to preserve jobs, replace jobs which may be lost by outsourcing actions, and to create jobs for protected employees. It is an objective of the Company to grow the business and the employment opportunities of its UAW represented workforce and to continue to rely upon its employees and facilities as the source of its products.

During the life of the current agreement, the Company will advise, in writing, the appropriate Union members of the sourcing committee of any management outsourcing recommendations, including the number of potential jobs affected.

Additionally, data regarding incoming and outgoing work will be given to the International and Local Union in quarterly meetings. In addition, the Company will provide inquiry data access to the appropriate Union contact through the use of a computer terminal, if possible. In this manner, the parties can judge the success of mutual efforts toward improved job security. The Company agrees to incorporate the procedure and structure outlined herein when making sourcing determinations during the current agreement.

The rationale for sourcing actions will consider the criteria of quality, technology, cost, timing, statutory requirements, occupational and related health and safety issues, the impact on long-term job stability, the degree to which the Company's resources can be allocated to further capital expenditures, the overall financial stability of the Company and the impact on related Rolls-Royce Allison / UAW represented facilities. Other factors considered by the Company before a final sourcing decision is made will include the effect on employment, and job and income security costs on both a short and long-term basis. Such criteria will give equal weight to the full impact of a sourcing action on Rolls-Royce Allison / UAW represented employment levels and the job and income security of Rolls-Royce Allison / UAW represented employees. The parties will jointly further develop the above criteria to be used to address sourcing issues. Transfer pricing profits will not be considered in making sourcing decisions. Only appropriate return on investment and burden will be considered.

Following development of the sourcing criteria, the parties may form a joint task force to ensure the full implementation of such criteria, and, on an as needed basis, to address any specific sourcing areas of concern identified by the Union. Pertinent criteria will be applied consistently in comparisons of internal and external supply capability. The Union will be provided full and timely access to all appropriate data, including financial information, that is pertinent to evaluate product competitiveness and contemplated sourcing. The Union agrees to keep all such information confidential until the Company consents to its release. Further, in this regard, the

plant Chairperson will designate in writing those Union representatives who will have access to the quote package and related information.

If the Local Committee cannot resolve a sourcing issue, it may file a grievance at the second step of the grievance procedure.

In addition, the following specific commitments have been made to address sourcing-related job security concerns of the UAW members:

1. Insourcing

The Local JOBS Committee will discuss the practicality of insourcing, in whole or in part, work previously outsourced or new work which the Committee identifies as that which the Committee identifies as that which might be performed competitively within the location the location based on the criteria outlined above. To assist in this process, the Union will be furnished a complete master file of commodities which will be used to generate a list of parts similar to those currently manufactured by Rolls-Royce Allison/UAW represented employees that have been (1) outsourced or (2) are currently manufactured by non-UAW / Rolls-Royce Allison suppliers for Rolls-Royce Allison. This list will be updated and expanded to include supplier expiration dates, supplier location (city and state), annual volume and Union affiliation if known and will be furnished quarterly or as otherwise agreed to by the parties. Thereafter, the parties will initiate efforts to insource particular work consistent with the aforementioned criteria to create prospects for growth and to provide jobs for protected employees and employees on layoff.

If it is established that certain work can be performed competitively judged by the above criteria, management will adopt the Committee's proposal and barring unique or unforeseen circumstances, bring the work in-house. The Union shall thereafter obtain any necessary approval or ratification within 30 days of the decision to bring the work in-house.

2. Outsourcing

Outsourcing as used herein means the Company's sourcing of work from its facilities including work connected with current, new, or redesigned engines, fabricated and component parts.

When the quoting process begins, the Union will review and have access to the entire request for quotation package for this work along with the cost book information. Upon receipt of this package, the Chairperson and the Personnel Director will indicate on the accompanying notice (Notice of Potential Outsourcing) that the information has been received. This notice will include a description of the work involved and will be sent to the Vice President and Director of the Aerospace Department of the UAW or other International Representative designated by the same and to the appropriate Rolls-Royce Allison manager.

Following the receipt of the request for quotation package (or in the infrequent instances where a quote package is not utilized), the local parties will have the opportunity to jointly develop a plan

to perform the work competitively, judged by the criteria listed earlier in this appendix. The Union will be provided full and timely access to all appropriate data including financial information that is pertinent to evaluate product competitiveness and the potential sourcing action. Prior to the submission of the initial quote response, the information contained therein will be reviewed by the local parties.

At the close of the quoting process, the local parties will be advised in writing of the most favorable quote response which best meets customer requirements and the terms and conditions therein. If this quote response is other than the one submitted by the local union, a written notice will be issued to the Chairperson which includes the reason for the potential outsourcing, the quote price from the affected location, if applicable the terms and conditions of the most favorable quote response, the potential jobs impact, and the anticipated impact date. Thereafter, the local parties will be given an additional 30 days, or longer when possible, to meet the terms and conditions of the quote response referenced above. A copy of this notice will be sent to the Vice President and Director of the Aerospace Department of the UAW or the International Representative designated by the same and the appropriate Rolls-Royce Allison manager.

The parties feel that this process of notification and discussion regarding sourcing issues provides sufficient time to evaluate sourcing issues to insure that opportunities exist to develop plans to retain the work. It is recognized that this process provides for earlier involvement in sourcing decisions than the previous 1993 National agreement (formerly Appendix I.) and it is agreed that the Union will have as much time to evaluate methods to retain the work as the 150 day notification process provided in the 1993 National Agreement.

If it is established that the work can be performed competitively, judged by the criteria listed earlier in this appendix, Management will, barring unique and unforeseen circumstances, keep the work in-house. The union shall thereafter obtain any necessary approvals or ratification within 30 days to keep the work in-house.

The sourcing authority will not enter into a contractual relationship with a non-Rolls-Royce Allison/UAW supplier until such time as the appropriate management representative provides written verification that the above notification procedure and discussion by the JOBS Committee has taken place.

Additionally International Union and Local Union input will be sought by Rolls-Royce Allison as early as possible in the outsourcing decision-making process in order to allow for more thorough discussion and to permit the parties to better assess the impact of outsourcing on the long-term job stability of employees and the financial viability of Rolls-Royce Allison. The Company agrees to a full disclosure to the International and Local Union of the procedures utilized in the sourcing activities.

3. Future Product Sourcing

Union input into early sourcing decisions will be sought by the Company. In that regard, the Union will be notified in writing by the Company at the point when a Program Manager has been named (or sooner if possible) of its intent to proceed with any new or redesigned engine program.

On a quarterly basis or more frequently if business needs dictate, a confidential review will be held concerning future product programs in an effort to provide the Union with early input into sourcing decisions. These meetings will be attended by the Director of the Aerospace Department of the UAW or designee and top level management of the Rolls-Royce Allison. Additionally, representatives from various corporate disciplines, e.g., Marketing, Engineering, and Product Planning, may be invited to attend these meetings. At these regularly scheduled meetings, the parties will review any new program which is being pursued by the Company or which has been approved during the preceding quarter as a new business venture for the Rolls-Royce Allison.

Following the notification, a representative designated by the International Union (currently functioning in an appointed capacity) will work with members of various organizations within the Company to gain information and knowledge into sourcing discussions and sourcing determinations for those organizations. When there is a need for this representative to interface with an organization relative to sourcing discussions, the contact should be made through the Manager of Hourly Human Resources.

The Company agrees not to use the results of such discussions to obtain more attractive contract terms from outside suppliers in lieu of keeping the work in-house.

If requested, higher level meetings or discussions on these matters will be scheduled.

The implementation of this process should provide the parties with the mechanism to take advantage of every opportunity to use internal resources and create jobs for protected employees.

The commitments expressed in this appendix are intended to contribute significantly to our cooperatively working together to provide Rolls-Royce Allison employees improved job security by growing the business and employment opportunities.

Offset Requirements

During 2000 negotiations, the parties held extensive discussions regarding the competitive nature of the Aerospace industry and the fact that many of the industry competitors have been forced to reach innovative business arrangements in order to win and attract new business. Additionally the parties discussed the fact that many new Aerospace business opportunities exist in foreign countries. Often the governments of these foreign countries, through offset requirements, dictate that companies provide labor content within that country where the customer's business is domiciled.

Recognizing these unique aspects of the Aerospace industry, the parties agree that improving the competitive position of the Rolls-Royce Allison within the Aerospace industry is an important factor contributing to the Company's ability to win and attract new work. The parties also recognize that issues such as offset requirements imposed by foreign governments and innovative business arrangements (i.e.- partnering, risk sharing, teaming and joint ventures) will require cooperation to secure and increase new work and thereby increase employment opportunities and improve job security. Any sourcing decisions associated with innovative business arrangements and the fulfillment of offset requirements are intended to provide growth in the volume of manufacturing work within the Company and increased employment opportunities.

In an effort to provide a clear and accurate view of what is meant by innovative business arrangements and offset requirements, the following definitions of the referred to business practices is offered:

Partnering- This occurs when two or more parties come together in a business venture and share the risk and rewards of the venture in the same proportion over a very broad set of business parameters.

Risk-Sharing- This occurs when a party joins a business venture and assumes a share of risk only on the portion of the program that they are responsible for.

Teaming- This occurs when two or more parties come together to achieve a specific objective that is well defined.

Joint Ventures- A term utilized to describe variations on the above terms and one that encompasses business arrangements like partnering, risk-sharing and teaming.

Offset Requirements- Requirements, often imposed by foreign governments, that requires a company to provide labor content within that country where the customer's business is domiciled. For example, in order to sell engines to a third world country, the country could impose a requirement that certain parts and/or the assembly and/or testing be performed in their country.

Rolls Royce Work

At times, during the life of this agreement, Rolls-Royce Allison may be identified as a viable source of work on Rolls Royce products in production or development at Rolls Royce facilities. The parties discussed that such opportunities act to increase the job security and enhance the employment opportunities of the workforce even when the work is of a fixed duration.

The parties also discussed the fact that the transfer of work from Rolls Royce facilities to Rolls-Royce Allison is governed by Foreign Ownership, Control and Influence (FOCI) regulations imposed by the US government. These FOCI regulations and the terms of the Special Security Agreement (SSA) imposed by the US government when Rolls Royce purchased Rolls-Royce Allison, require that business relations conducted between the two corporate entities be at arms length.

In an effort to provide early input to the Union when Rolls Royce work is being transferred into Rolls-Royce Allison, the Company agrees to meet with the Union in advance of such work being transferred into an Rolls-Royce Allison facility and share information including the type of work being transferred, the anticipated volume of the work, the duration of the work (or length of the purchase order), the standard hour volume impact associated with the work, and any employment growth anticipated as a result of the work being transferred in. Additionally, the Company agrees to notify the Union in advance of work being removed from the facility by Rolls Royce. It is believed that these efforts of advance communication will act to improve the understanding by the workforce of the positive aspects of performing Rolls Royce work on either a short or long term basis.

Any discussion or notification referenced in this attachment is separate and distinct from the formal notification and discussion requirements of Document 2.

**MEMORANDUM OF UNDERSTANDING JOB
SECURITY (JOBS) PROGRAM**

The Company and the Union are committed to enhancing the job security of Rolls-Royce Allison employees. The Parties also recognize that such job security can only be realized within a work environment which promotes operational effectiveness, continuous improvement and competitiveness.

Accordingly, the parties have agreed to this JOBS Program and have pledged to work together, *consistent with this Program and other provisions of the National Agreement to enhance the Company's competitive position.*

The cornerstone of the JOBS Program is a commitment to pre-determined secured employment levels (SEL's) and protection against indefinite layoff for eligible employees as expressly provided herein.

1. SCOPE OF THE PROGRAM - The Company and the Union agree that:

- (A) The secured employment levels (SEL's) (i.e., numbers of eligible employees or positions covered by this Program as defined herein) initially shall be established as of the first Monday following the Effective Date of the Agreement for all skilled and nonskilled employees. The transfer of an employee between skilled and non-skilled will cause the SEL for the group receiving the employee to increase and the other group from which the movement occurred to decrease unless the movement occurred to satisfy the SEL, in which case the SEL will remain the same in each group.
- (B) Baseline Secured Employment Levels for the Unit shall be equal to the number of active employees with one or more years seniority at work and on roll in the Unit on the Effective Date. Such active employees will be SEL eligible and include *employees not at work who are:*
 - (1) on vacation,
 - (2) receiving bereavement pay,
 - (3) on jury duty,
 - (4) on any leave of absence of 90 days duration or less,
 - (5) on temporary layoff, and
 - (6) any other employee having a direct attachment to the active workforce.
- (C) No employee will be laid off for any reason, other than described in 1(D), if such layoff would cause the number of active employees in the unit to fall below the

then current SEL or otherwise result in the layoff of one or more SEL eligible employees.

(D) Paragraph I(C) notwithstanding, an employee protected from layoff by the SEL may be laid off for any of the following reasons:

- (1) volume related declines attributable to market related conditions as described in Document No. 10, JOBS Program - Volume Related Layoffs - SEL, not to exceed 36 weeks over the life of the Agreement;
- (2) acts of God or other such reasons beyond the control of the Company;
- (3) the sale of a part of the Company's operations as an ongoing business;
- (4) the layoff of an employee recalled or reassigned to fill an opening known in advance to be temporary; or
- (5) plant rearrangement until the employee otherwise would have been recalled.

An employee impacted by any of the above reasons is, if otherwise eligible, covered by the appropriate Supplemental Agreements which are attached to the National Agreement as Exhibits.

(E) The number of employees protected by this JOBS Program will be the equivalent of the employees within the SEL who would otherwise have been laid off as a result of any event other than those described in Paragraph I(D).

II. **JOB SECURITY AND OPERATIONAL EFFECTIVENESS** - In recognition of the fact that job security can only result from joint efforts to improve operational effectiveness, the Company and the Union agree that:

- (A) For a period commencing with the Effective Date of this Memorandum of Understanding and for the life of the current Agreement, no employee within the SEL will be laid off as a result of any event other than those described in Paragraph I(D).
- (B) An employee whose regular job is eliminated will be placed pursuant to the applicable provisions of the National Agreement and Local Seniority Agreement.
- (C) The number of employees protected from layoff due to the JOBS Program will be that determined in Paragraph I(E). Each protected employee will be identified by application of the Local Seniority Agreement provisions as if such job security were not provided.
- (D) (1) Following the last pay ending period of each month (SEL evaluation date), the SEL and Baseline SEL shall be reviewed for each Unit and adjusted as required consistent with the provisions of the Memorandum. The SEL shall be compared with the Baseline SEL to determine attrition replacement obligations. If it is

determined that the active employment level is less than the SEL number for reasons other than the events excluded in Paragraph I(D), a sufficient number of laid-off employees will be recalled from layoff in order to increase the active workforce to the new SEL. If there is no available laid-off employee, the position will remain unfilled and will be available in the event of a layoff due to a volume decrease described in I(D), unless the JOBS Committee directs that it be filled by a new hire.

(2) If on the evaluation date the SEL number results in less than a whole number, the Engineering Method of Rounding will be used to determine the SEL.

- (E) If an event, other than those described in I(D), would otherwise cause the number of active employees in a unit to fall below the then current SEL, the employees so protected, as provided for in I(C), will be placed on Protected employee status. The Parties recognize that events, other than those described in I(D), may occur during the course of this Agreement that will cause the number of SEL eligible employees to exceed the Company's production requirements. The parties further recognize that the scope of this program requires flexibility with regard to the assignment of such Protected employees and the selection of employees for training. In this regard, the JOBS Committee (described in Section III, below) will insure that assignments are made on a basis consistent with the seniority provisions of the Collective Bargaining Agreement and Local Seniority Agreement while meeting plant needs, minimizing work force disruption and enhancing the personal growth and development of employees. After a decision by the JOBS Committee a Protected employee may be (1) placed in a training program, (2) used as a replacement to facilitate the training of another employee, (3) given a job assignment within or outside the bargaining unit which may be non-traditional, (4) placed in an existing opening or (5) given other assignments consistent with the purposes of this Memorandum of Understanding.
- (F) Efforts of the local parties to improve operational effectiveness will be encouraged and supported by the Company and the International Union including, as may be appropriate, approval of requests to waive, modify or change the National Agreement.
- (G) A Protected employee will continue to receive their regular straight time hourly rate of pay. In the event a Protected employee is assigned to another classification, the employee will receive the rate of pay as provided by the Local Wage Agreement.
- (H) Protected employees' assignments will be considered temporary and not subject to provisions governing permanent filling of vacancies or the application of shift preference, except for assignments to fill openings resulting from volume increases. Experience gained from these temporary assignments will not be used to advantage such Protected employee over other employees for selection to fill

permanent vacancies, nor will the Protected employee gain seniority under Paragraph 62 of the National Agreement from such assignments.

- (I) An employee replaced by a Protected employee will receive their regular straight time hourly rate of pay, and will be returned to the same classification and job assignment upon completion of the replaced employee's assignment. In the event the employee has insufficient seniority to return to the formerly held classification, the employee will be placed pursuant to the applicable provisions of the Local Seniority Agreement.
- (J) If an employee would have been transferred pursuant to Paragraphs (63)(a), (63)(b) or (153) of the National Agreement or placed in an Apprentice program were it not for participation in a training assignment provided by this program, the employee will be transferred to this classification upon completion of the training assignment. In the event the employee would have been selected for an E.I.T. or Apprentice assignment the employee's date of entry will be adjusted as if the employee's assignment had not been delayed.
- (K) A replaced employee returned to a job assignment under this Program will be credited with all overtime hours the employee worked while out of the equalization group, but not with the overtime hours the employee would otherwise have worked in the group had the employee not have been replaced by the Protected employee.
- (L) A training assignment will be voluntary on the part of an employee being replaced by a Protected employee, unless such training is to develop or improve technical skills relevant to the employee's current job assignment or anticipated future job needs.
- (M) No Protected employee will be temporarily assigned to a job outside of the bargaining unit except on a voluntary basis, subject to the direction of the JOBS Committee.
- (N) (1) The SEL will be increased by one position for (1) an employee in the active workforce, as defined by Paragraph 1(B) who had less than one year seniority on the effective date of the Agreement who subsequently attains one year of seniority; (2) an employee with one or more years seniority is recalled, except if recalled to satisfy the SEL, and is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the effective date of the Agreement; (3) an employee with less than one years seniority is recalled, except if recalled to satisfy the SEL, who subsequently attains one years seniority and is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the effective date of the Agreement; (4) an employee rehired pursuant to Paragraph (64)(d), except

if rehired to satisfy a SEL, who subsequently attains one years seniority and is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the effective date of the Agreement; or (5) an employee newly hired after the effective date of the Agreement who attains three years seniority. Notwithstanding the above, the JOBS Committee is authorized to establish special mechanisms, including SEL eligibility provisions, for the purpose of attracting new work.

- (2) The SEL will be maintained or decreased for normal attrition's of eligible employees (quits, retirements, or deaths) in accordance with the following rules for replacement of such attrition:

a. When the SEL is between 95% and 105% of the total of the Group's Baseline SELs established pursuant to Section I (B), attrition will be replaced on a one-for-two basis by recalling an employee from layoff to fill the open SEL position. In the event there are no employees to be recalled, there shall be no obligation to hire, except when directed by the JOBS Committee.

Notwithstanding the foregoing, there shall be no obligation to replace attrition when the SEL exceeds 105% of its Baseline SEL.

b. When the SEL is 95% or less of the Baseline SEL, attrition will be replaced on a one-for-one basis:

1. First, by allowing an ineligible active seniority employee at the affected facility to become eligible;
2. Second, by recalling a seniority employee from layoff from the facility, or rehiring an employee with a Paragraph (64)(d) rehire right;
3. Or third, by hire, as attrition occurs up to the net number of jobs outsourced minus those insourced (as defined in Document 2 of the Agreement and determined by the JOBS Committee) subsequent to the Effective Date, except when the affected Unit encounters market-driven, volume-related layoffs, and provided further that if (1) the number of eligible employees falls below 95% and (2) there is a net number of jobs outsourced, such positions will be filled within nine months, unless amended by the JOBS Committee, of the later of these two events. In no other instance will hiring of new employees be required to fill open SEL positions.

Employees recalled, hired, or rehired to replace attrition may be assigned within their Unit at Management discretion, subject to applicable seniority provisions of the Agreement. An open SEL position resulting from attrition will be filled by recalling an employee from layoff. If there is no available laid-off employee, the position will remain unfilled and will be available in the event of a layoff due to a volume decrease described in I(D), unless the JOBS Committee directs that it be filled by a new hire. The parties are required to meet, at least monthly, to discuss the reasons why open positions are created. The Local Parties may be required to submit to the National Parties written detailed information to support their monthly joint reports. The SELs and Baseline SELs will be decreased by one for each attrition resulting from the acceptance of a special program set forth in Attachment A, and for each attrition in the event of a closing of a location.

c. The SEL will receive additional credit to be added as agreed by the parties for new component businesses, subject to the conditions set forth in Document 89 "Credit Toward SEL" dated the effective date covering such matters.

- (O) Each employee who leaves the bargaining unit for a salaried position will be replaced immediately with no effect on the SEL by recalling an employee from layoff. For each regular salaried employee returning to the bargaining unit, the SEL will be increased by one.
- (P) SEL eligible employees off roll will maintain their eligibility upon reinstatement.
- (Q) In the event there is an opening due to a volume increase, the available Protected employee with the highest seniority will be placed in this opening, unless the JOBS Committee determines the employee should first complete the employee's current assignment. If seniority employees are on layoff from that plant, a number of such employees, equivalent to the number of Protected employees placed in openings due to volume increases will be recalled from layoff.
- (R) A layoff caused by an event described in Paragraph I (D) will have no impact on the number of Protected employees except for an employee who is protected from a layoff attributable to a market related volume decline in excess of 36 weeks. In those instances, Protected employees, having the least seniority, will be laid-off and replaced by an equivalent number of greater seniority employees who would otherwise have insufficient seniority to remain in the plant.
- (S) In the event the JOBS Committee determines that the number of Protected employees exceeds the number of expected openings at the plant within the next

succeeding 12 months. special programs as set forth in Attachment A may be triggered upon prior approval of the JOBS Committee.

- (T) Earnings, including wages and wage related payments, received by employees while on Protected employee assignments, will be charged against the maximum liability amount. The cost of benefits and other payments made or incurred on behalf of Protected employees, specifically, health care (including dental and vision), group insurance, pensions, legal services, training fund contributions, and FICA will be charged against the maximum liability amount. The cost of benefits provided under Attachment A of this Memorandum of Understanding will not be charged against this liability. Earnings received and the cost of benefits and other payments made on behalf of Protected employees while assigned to fill permanent job openings resulting from volume increases or assigned to other regular and productive work (e.g., absentee replacements) will not be charged against this liability.
- (U) Charges against the Company's liability will commence with the first payments made to Protected employees and will continue until the maximum liability is reached or the expiration of the Program as provided in this Memorandum of Understanding, whichever occurs first. The records of such charges will be maintained by the Company and will be available to the Union at appropriate times.

III. ADMINISTRATION OF THE JOBS PROGRAM - The Company and Union agree that:

- (A) A JOBS Committee will be established to administer the Program.
- (B) The membership of the JOBS Committee will consist of the Vice-President of Operations, Director of Human Resources; the local Union President, and the Shop Committee.
- (C) The duties of the JOBS Committee will be:
 - (1) Review accessions and separations relative to the Unit Secured Employment Level (SEL) and the number of Protected employees.
 - (2) Review the number and status of the available Protected employees on a monthly basis, specifically noting the impact on this group of attrition, volume and future manpower requirements.
 - (3) Monitor the initial placement of an employee who is within the SEL and who returns to work following an event covered in Paragraphs I(B) and I(D).
 - (4) Monitor and coordinate with the International Union the placement of Protected employees. In this regard consideration should be given to both the

nature and duration of the assignment following the guidelines contained in Section II of this Memorandum of Understanding.

- (5) Monitor permanent layoffs caused by the events described in I(D).
- (6) Participate in discussions regarding sourcing decisions as outlined in Document 2 of the current Rolls-Royce Allison-UAW National Agreement on the subject of Sourcing.
- (7) Participate in discussions regarding the introduction of new or advanced technology as provided in the Statement on Technological Progress contained in the current Rolls-Royce Allison-UAW National Agreement.
- (8) Review attrition and changes in the workplace. As required, develop plans to replace attrition, including the use of hires or rehires, to meet operational needs when other appropriate placement sources have been exhausted. Consistent with guidelines regarding SEL Program Administration, the local parties are required to report monthly that appropriate communications have taken place; upon the request of the JOBS Committee, the local parties may be required to provide detailed information to support their monthly joint reports.
- (9) Review the manpower requirements of forward product, facility and business plans, maintaining the confidentiality of the material being evaluated.
- (10) Plan and coordinate the application of special programs to Protected employees and active work force employees as described in Attachment A to this Memorandum of Understanding.
- (11) Authorize non-traditional work assignments for Protected employees where practicable both within or outside the bargaining unit.
- (12) Review any complaint regarding the administration of the JOBS Program. The Company and the International Union will limit the review of complaints to those raised, in writing, within 60 days of the SEL Evaluation Date or other event giving rise to the complaint unless the time limit is waived by the JOBS Committee. Only those matters governing the size of the active workforce, the number of Protected employees, or the SEL; or governing the treatment of a Protected employee as set forth in Section II of this Memorandum of Understanding will be subject to the Grievance Procedure. Such grievances will be filed at the Second Step of the grievance procedure. All other unresolved complaints will be settled expeditiously between the Company and the International Union.
- (13) Jointly coordinate appropriate local training activities, working closely with the Local Joint Activities Committee to ensure that quality, cost efficient

training is provided and appropriate funds are secured from both within Rolls-Royce Allison and from external sources.

(14) Jointly develop and initiate proposals to improve operational effectiveness to secure existing jobs, and to attract customers and additional business thus providing additional job opportunities. When required, secure necessary approvals from the bargaining unit membership, the Company and the International Union.

(15) Make recommendations to the National JOBS Committees, as appropriate, regarding any aspect of the JOBS Program. This may include any aspect of the contractual relationship between the Company and the Union that is relevant to the duties of the Local JOBS Committee.

(16) Ensure that SEL funds are used solely for the purposes for which the Program provides protections, as specified in Section I (C) of this Memorandum of Understanding.

- (D) A National JOBS Committee will be established at the Company-International Union level consisting of (3) three representatives selected from the Company and three (3) representatives selected by the Vice President, Director of the Aerospace Department, UAW. The National Committee will coordinate, where applicable, the execution of Special Programs described in Attachment A as well as the placement of Protected employees. The National Committee will also act on requests from the Local Committee to waive, modify, or change National Agreement provisions when such action would result in the preservation or increase in job opportunities.
- (E) The Company and the International Union are specifically empowered to periodically review and evaluate the operation of this Memorandum of Understanding and make mutually satisfactory adjustments to its provisions during the term of this Memorandum.

IV. FUNDING - The Company and International Union agree that:

Notwithstanding the commitments set forth in this Memorandum of Understanding, the Company's total financial liability for the cost of the JOBS Program, to be calculated as agreed between the parties, shall not exceed \$16.6 million during the term of this Memorandum of Understanding, adjusted by any amounts shifted between the JOBS and SUB funds. In the event this liability is reached, Protected employees will be subject to layoff. Thereafter, to the extent that layoffs of such employees are required, the provisions of the Local Seniority Agreements will apply and eligible employees will receive benefit treatment in accordance with the Supplemental Agreements attached to the Rolls-Royce Allison-UAW National Agreement then in effect.

V. EFFECTIVE DATE - TERMINATION DATE

The Company and International Union agree that:

- (A) This Memorandum of Understanding will become effective on the Effective Date of this Agreement.
- (B) This Memorandum of Understanding shall expire with the expiration of the current National Agreement.

Stephen P. Yokich

Lee Rhyant

Ron Genelfinger

Reeder Singler

Frank Musick

John Dearth

Mary K. Riordan

Cornell Brooks

Tom Ladd

Mick Nuckles

Jelf Deaton

Steve Fitzpatrick

Date

Date

ATTACHMENT A
MEMORANDUM OF UNDERSTANDING

The Company and the International Union, based upon the recommendation of the JOBS Committee, may, from time to time and for specified periods, authorize the following Special Programs for designated eligible employees. Employees must apply within the application period determined by the JOBS Committee.

SPECIAL PROGRAM #1

JOBS VOLUNTARY TERMINATION OF
EMPLOYMENT PROGRAM

The JOBS Voluntary Termination of Employment Program (VTEP) provides a guaranteed lump-sum benefit payment subject to the conditions and limitations contained herein. This Program is applicable to an employee with at least one year of seniority who is at work or is a Protected employee on or after the effective date of the Agreement.

Description of Program Benefits

Years of Seniority As of Application Date	\$ Amount	Allocation Period (Months)
1 but less than 2	15,000	6
2 but less than 5	21,000	9
5 but less than 10	37,000	15
10 but less than 15	47,000	19
15 but less than 20	62,000	25
20 but less than 25	67,000	27
25	72,000	29

The maximum gross amount of the benefit payable under this Program is \$72,000 for employees with 25 or more years of seniority.

In no event, however, shall the amount of a VTEP payment provided under this Program exceed such amount permissible under the Employee Retirement Income Security Act of 1974 (ERISA).

An employee who accepts a VTEP payment shall be provided with basic health care coverage for a period of 6 months dating from the end of the month following the month in which the employee last worked.

An employee eligible for an immediate pension benefit under the Hourly Rate Employees Pension Plan, at the time of his/her break in service (due to participation in a VTEP), shall upon completion of the Allocation Period and application for a pension benefit under the Hourly Rate Employees Pension Plan become eligible for post retirement health care and life insurance on the same basis as other retirees. For purposes of applying the terms of the Hourly Rate Employees Pension Plan, such employees shall not be treated as deferred vested by reason of their participation in a VTEP.

VTEP Payment Offsets

Any VTEP payment to an eligible employee will be reduced by the employee's outstanding debts to the Corporation or to the Trustees of any Corporation benefit plan or program, including any unrepaid overpayments to the employee under the SUB Plan, Exhibits D, to the Collective Bargaining Agreement.

Effect of Receiving VTEP Payment

An employee who accepts a VTEP payment shall (i) cease to be an employee and shall have his/her seniority broken as of the last day worked subsequent to the date his/her application for a VTEP payment is received (termination date), (ii) shall have canceled any eligibility the employee would otherwise have had for a Separation Payment and/or Redemption Payment under Exhibits D-1 and E-1, respectively, to the Collective Bargaining Agreement, (iii) shall not be eligible to receive a mutual satisfactory retirement benefit under the Hourly Rate Employees Pension Plan, and (iv) shall not be permitted to retire under the Hourly Rate Employees Pension Plan for the number of months of the allocation period following the termination date.

An employee who receives a VTEP payment, and who is subsequently reemployed by Rolls-Royce Allison, will not be eligible for any future VTEP payments until the employee has 5 or more years seniority following such reemployment. No seniority used to determine the amount of a previous VTEP payment shall be used in determining a subsequent VTEP payment.

SPECIAL PROGRAM #2
JOBS PENSION PROGRAM

General

The JOBS Pension Program provides pension benefits unreduced for age, payable under the Hourly-Rate Employees Pension Plan (Exhibit A to the Collective Bargaining Agreement) subject to the eligibility terms and conditions contained in such Pension Plan, and further subject to such terms and conditions contained herein. This Program is applicable to employees who are at work or is a Protected employee, on or after the effective date of the Agreement.

Description of Program Benefit

An offer of Mutually Satisfactory retirement may be extended under this JOBS Pension Program to an eligible employee between the ages of 55 and 61 who has 10 or more years of credited service under the Hourly-Rate Employees Pension Plan. Such retirement would provide unreduced basic benefits for the life of the retiree, temporary benefits payable until age 62 and one month (or if earlier, receipt of Social Security disability benefits), and any supplements they may be entitled to based on the provisions of the Hourly-Rate Employees Pension Plan and the employees' age and credited service. The annual earnings limitation provisions of the supplements shall not be applicable to any mutually satisfactory retirement with benefits payable commencing on or after the effective date of this Agreement and prior to its termination date.

Memorandum of Understanding

Joint Activities

LOCAL JOINT ACTIVITIES COMMITTEE (LJAC)

During current negotiations, the parties discussed the need to focus the responsibility for all local joint activities on those individuals who have primary responsibility for their success and to enhance their effectiveness through improved information sharing, priority and goal setting, resource allocation and the elimination of duplication. The Rolls-Royce Allison will retain access to all previously developed Joint UAW - GM programs, materials and resources. The Rolls-Royce Allison will pay the appropriate UAW-GM Joint Program office for costs related to implement Joint UAW-GM programs at the Rolls-Royce Allison.

Accordingly, the parties agree that the appropriate local facilitating mechanism for all local joint activities is the Local Joint Activities Committee (LJAC) consisting of the President of the Local Union, Shop Committee Chairperson, and members of the Shop Committee, Vice-President of Operations, Director of Human Resources and other appropriate Management Representatives. The Local Joint Activities Committee is responsible for actively supporting and directing the Local Joint Skill Development and Training Program, Local Human Resource Development Process, Local J.O.B.S. activities and to provide coordination among all other local joint activities such as Health and Safety, EAP, Quality Network, etc. The UAW Regional Director and/or their representatives should be fully involved regarding joint activities including actions of the Local Joint Activities Committee.

The duties and responsibility of the Local Joint Activities Committee include the following:

- A. Provide structure for integrating all joint efforts.
- B. Set local policies/guidelines to enhance each joint activity.
- C. Integrate joint activities with business operations through a joint planning process.
- D. Allocate and monitor plant and local joint funds and other resources in accordance with this memorandum.
- E. Monitor and evaluate the performance and results of joint activities and provide positive recognition and/or corrective direction as required.
- F. Regularly exchange information on plant operations and communicate appropriate information to all employees.

G. Keep UAW/International Union leadership and the Rolls-Royce Allison Management informed of the status and progress of joint activities (via Annual Joint Activities Annual Summary due January 31st, each year).

H. Review the need for new programs and jointly develop the programs, as required.

The Union will be fully involved in all phases of training including analysis and development that is directed at the UAW represented employees. When such employees will be impacted by training and manual specifications for equipment and manufacturing systems. Union input with respect to development and delivery of training will be obtained by either Local Management or plant training personnel prior to management signing off on the specifications.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this _____ day of _____, 2000.

International Union, UAW

Rolls-Royce Allison

Stephen P. Yokich

Lee Rhyant

Ron Genellinger

Reeder Singler

Frank Musick

John Dearth

Mary K. Riordan

Cornell Brooks

Tom Ladd

Mick Nuckles

Jeff Deason

Steve Fitzpatrick

Date: _____

Memorandum of Understanding Funding and Training

A. Plant Funds

It is agreed that the Rolls-Royce Allison will make available funding at five cents (\$.05) per hour worked for each UAW employee on agreed upon programs (see list below). Further the Rolls-Royce Allison will make available additional funding for these programs of funding up to \$5.00 per overtime hour worked in incremental amounts in excess of five percent (5%) of straight time hours worked. Such additional funding will be calculated in accordance with the following incremental table:

Overtime Hours as Percent of Straight Time Hours	Additional Amount Per Hour
5% or less	\$0.00
Greater than 5% thru 12%	1.25
Greater than 12% thru 13%	1.50
Greater than 13% thru 14%	2.00
Greater than 14% thru 15%	2.50
Greater than 15% thru 16%	3.00
Greater than 16% thru 17%	3.50
Greater than 17% thru 18%	4.00
Greater than 18% thru 19%	4.50
Greater than 19%	5.00

Plant Fundable Programs (See Attached MOUs):

- Tuition Assistance Plan (See Document 8 and Attachment A)
- Scholarship Program for Dependent Children (Attachment B)
- Retiree Tuition Assistance Plan (Attachment C)
- Resource and Referral Services Work/Family Program (Attachment D)
- Employee Assistance Program (See Document 39)
- National Conferences (i.e.: EAP, Training, Benefits) - (Attachment E)
- National Training Center (Attachment F)
- Child Care Program (Attachment G)
- Diversity Training (Attachment H)

The local Parties will develop a process for applying and paying for the above existing programs.

In addition to the above fundable programs, plant funds can also be used for specific studies, pilots and other activities agreed to by the Key 4 (President of the Local Union, Shop Committee

Chairperson, Vice-President of Operations, and Director of Human Resources) and the International Union.

B. Local Funds - Training

The Rolls-Royce Allison will make available funding at five cents (\$.05) per hour worked for each local UAW employee in the plant for training efforts of active employees in job related skills, basic education enhancement, interpersonal skills and Human Resource Development.

The Guidelines and approval process details are documented in the UAW-Rolls-Royce Allison Joint Funding Guidelines Document.

C. Supplemental Training Fund

Due to the large amount of training envisioned in the future to meet joint long-term goals, a Supplemental Training fund will be established by the Rolls-Royce Allison to ensure that sufficient funds are available annually to satisfy the local training requirements.

Within 30 days of the beginning of each Calendar Year, the Key 4 (President of the Local Union, Shop Committee Chairperson, Vice-President of Operations, and Director of Human Resources) will review the Training Budget and the level of funding available from Fund A and B to meet the training budget requirements. If necessary, the Key 4 can trigger the Supplemental Training Fund to begin accumulating funds up to a rate of five cents (\$.05) per hour worked for each local UAW employee in the plant.

These Supplemental Training Funds will be used for training efforts of active employees in job related skills, basic education enhancement, interpersonal skills and Human Resource Development.

D. Funding

It is agreed that funding balances accrued in Plans A, B, and C above will be carried forward under the duration of this agreement.

It is understood that nothing in this Memorandum limits the rights of either party to provide education and training programs on the same, similar or other subjects.

In WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this _____ day of _____, 2000.

International Union, UAW

Stephen P. Yokich
Ron Gettelfinger
Frank Musick
Mary K. Riordan
Tim Ladd

Rolls-Royce Allison

Lee Rhyant
Reeder Singler
John Dearth
Cornell Brooks
Mick Nuckles
Jeff Deaton
Steve Fitzpatrick

UAW - Rolls-Royce Allison Joint Funding Guidelines

Guidelines

Administration

The Local Joint Activities Committee is responsible for actively supporting and directing Local Joint Skill Development and Training Programs, as well as integrating all local joint efforts. The Local Joint Activities Committee is comprised of the President of the Local Union, Shop Committee Chairperson and members of the Shop Committee, and Vice-President of Operations, Director of Human Resources, and other appropriate Management Representatives. UAW Regional Directors and/or their representatives should be fully involved regarding joint activities, including actions of the Local Joint Activities Committee. In addition to supporting and directing joint training programs, the Committee is responsible for utilization of joint funds at the plant level. While members of the Local Joint Activities Committee may have designated representatives to handle the day-to-day coordination of training, they themselves should meet regularly to discuss matters. Failure to do so is a serious infraction of the intent of the Agreement.

Local Funds - Guidelines

Funding

" agreed that the company will make available funding at five cent (\$.05) per hour worked for each UAW employee in the plant (LOCAL FUNDS)."

--Memorandum of Understanding Funding/Training

Local funds shall be used for training efforts of active employees in job related skills, basic education enhancement, interpersonal skills and HRD. Examples are as follows:

Appropriate Uses of Funds:

- reading, writing and basic math skills
- communication skills training
- problem solving programs
- plant-specific training, such as upgrading the skills of UAW - represented production and skilled trades employees
- needs/tasks analysis training
- Quality representatives attending CHR National and area center courses
- local and national PEL studies
- work place violence
- crisis intervention
- SPC training

Wages, Expenses, etc. Associated with Training Efforts

- straight time wages and actual expenses* of hourly-rated trainees or attendees
- actual expenses (excluding wages) of salaried trainees or attendees
- salaries, wages and actual expenses of salaried and hourly-rated temporary instructors, including the cost of training the instructors (Train-the-Trainer)
- wages for UAW - represented attendees and actual expenses for salaried and UAW - represented attendees training sessions.
- equipment to be used exclusively for training programs for active UAW - represented workers (identification tags affixed to all equipment purchased with Local Joint Funds, i.e., Item Description, Model NO./Serial NO., Purchase Price, Date Purchased a current equipment list should be kept on file locally at all times.

*"Actual expenses" may include tuition, travel, lodging and meals (if not provided). They do not include car rentals unless approved by the Key 4.

Advance Approval

A Local Joint Training Fund Authorization Form must be submitted in advance, and approved by the President of the Local Union, Shop Committee Chairperson, Vice-President of Operations and Director of Human Resources prior to expending Local Funds on the following items:

- expenditures outside of the three basic areas (job-related skills, basic education enhancement, interpersonal skills and HRD)
- use of anyone for consulting and/or delivering training or organizational development, purchase of materials and supplies regardless of the cost or vendor involved. A Local Joint Training Fund Authorization Form must be accompanied by 3 bids for any training project over \$10,000. The plant purchasing department could be helpful in assisting with this process.
- travel and housing (jointly selected vendors)
- purchase, lease or rental of any equipment, such as furniture and computers, regardless of cost. The Local Joint Training Fund Authorization Form must be accompanied by 3 competitive bids for any one item over \$1,000. The plant purchasing department could be helpful in assisting with this process.

Inappropriate Use of Local Funds:

- Health and Safety training
- Wages for permanent full-time trainers, facilitators or joint representatives (full-time is generally defined as 40 hours per week for 12 or more consecutive weeks)
- Brick and mortar (leases, as well as acquiring or renovating facilities), except for the National Training Center as previously agreed.
- Time spend by employees while performing their routine job duties.
- Ergonomics
- Wellness activities
- Apprentice and Pre-apprentice training (contractually specified)
- Funding of time off the job of the designated or elected UAW-representative routinely functioning in administration of the contract
- Training on newly introduced technology for your location
- Training employees who will be required to service newly introduced technology (however, subsequent general training of other tradespersons on this equipment to broaden their skills is appropriate)
- Quality Training in areas such as ISO 9000 and Synchronous Manufacturing
- Training of tradespersons to implement a newly negotiated classification (however, the use of funds to freshen or update generally the skills of tradespersons is appropriate)
- Office support/secretaries, clerks, etc.
- Paying overtime for training purposes (only straight time wages can be paid out of Local Joint Funds)
- On-the-job training

Approval Process

Jointness is a critical factor in funding.

Requests for authorization to expend Local Funds must be jointly approved by the Key 4. Neither can access Joint Funds, locally unless both Union and Management (Key 4) jointly agree to such activities. Union involvement, along with Management, is essential in the joint decision-making process regarding the development, implementation, and monitoring of training activities. Once a training program has been mutually agreed upon, a Local Joint Training Fund Authorization Form must be completed in detail. The proposal should include a brief narrative concerning the purpose and objectives of the program. Signatures by the Key 4 (Shop Chairperson, President, Vice-President of Operations, and Director of Human Resources) should be affixed to the proposal.

In situations where a mutual agreement cannot be reached, either party, Union or Management, may appeal the issue to the International UAW, Region 3 funding Representative and the Vice-President of Human Resources. This appeal procedure exists to resolve any disagreement between the local parties which relates to potential expenditures of Joint Funds.

The appeal procedure can be instituted by submitting the following information to the above representatives.

- a copy of the Local Joint Training Fund Authorization Form
- a written statement outlining in detail the facts related to the disagreement

Monitoring Plant, Local and Supplemental Funds:

The Local Parties will establish a monitoring system that will include all accrual and expenditure activity. The Local Union will have access to these reports and given copies upon request for the purpose of reconciling any discrepancies in a timely manner.

Plant Closings:

In the event of plant closing the Plant Management, Local and International Union will discuss the utilization of the remaining Plant, Local and Supplemental funds, and all facility and equipment purchased with these funds.

Plant Audits

To ensure compliance with the Memorandum of Understanding, Funding and Training a plant audit from the UAW International, Region 3 Funding Representative and the Vice-President of Human Resources periodically will take place.

During a plant Audit, records pertaining to Plant, Local and Supplemental Funds will be requested. The following information should be maintained as part of a plant's record keeping system:

- Attachment D1, UAW-Rolls-Royce Allison Local Joint Training Fund Authorization.
- Attachment G1, UAW-Rolls-Royce Allison Training Monitoring Report.
- Attachment G2, UAW-Rolls-Royce Allison Training Closing Report.
work orders, invoices, receipts

The following information must also be kept on file:

- a beginning year balance from Rolls-Royce Allison Ledger and current status of Plant, Local and Supplemental Funds,
- the current training plan and its corresponding needs analysis documentation,
- an inventory list of all equipment purchased from Plant, Local and Supplemental Funds, and locations where this equipment is used.

All attachments should be kept on file for three years. All work orders, invoices and receipts should be kept for seven years.

In WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this _____ day of _____, 2000.

International Union, UAW

Stephen P. Yokich
Ron Gettellinger
Frank Musick
Mury K. Riordan
Tom Ladd

Rolls-Royce Allison

Lee Rhyant
Reeder Singler
John Dearth
Cornell Brooks
Mick Nuckles
Jeff Deaton
Steve Fitzpatrick

Memorandum of Understanding

National Conferences

It is agreed that the Company will support the attendance of Rolls-Royce Allison and UAW personnel at UAW sponsored National Conferences on agreement related subjects.

The LJAC (Local Joint Activities Committee) will determine the level of attendance required at National Conferences on a case by case basis.

Expenses for National Conference attendance will be paid for from the Plant A (Plant Funds) Funding.

Memorandum of Understanding

DIVERSITY TRAINING

During the current negotiations, the parties discussed the issue of diversity and their joint commitment to the development of an appropriate training program to facilitate UAW/Rolls-Royce Allison diversity training initiatives for the workforce.

Rolls-Royce Allison and the UAW are committed to a process that creates and maintains an environment that naturally enables the parties to contribute to the overall success of Rolls-Royce Allison and to the job security of UAW represented employees. By diversity, the parties mean such factors as race, gender, family status, military service, ethnicity, religious beliefs, education, age and physical abilities.

Working with people of different backgrounds and perspectives helps us learn that diversity can be a competitive advantage which incorporates the contributions of a multi-racial, multi-ethnic and multi-cultural workforce.

The Rolls-Royce Allison/UAW challenge is to create a work environment free of hostility, cultural and physical insensitivity, and discriminations that will help Rolls-Royce Allison and the UAW-represented employees win in the global marketplace.

Therefore, to increase awareness, and foster understanding and respect for all cultural groups, the parties have agreed to jointly undertake the development of a Diversity Training Program. When completed, the training program will be made available, upon request, to the UAW-represented employees of Rolls-Royce Allison.

Memorandum of Understanding

National Training Center

During the 1997 Negotiations, the parties discussed at length the need for a well trained work force. The parties recognize the critical need for a National UAW / Allison Engine Company Training Center. Therefore the parties agreed to the following:

- A joint UAW / Allison Committee will be nominated within 30 days of this agreement to develop a National Training Center implementation plan.
- The Key 4 (President of the Local Union, Shop committee Chairperson, Plant Manager, and Vice President of Human Resources) is responsible to obtain approval of the Implementation Plan from the UAW / Allison Executive Review Board and International Union to appoint joint UAW / Allison facilitator managers (one UAW, one Allison) to insure timely completion of the National Training Center Project.
- Funding

Up to the balance of moneys remaining in the 1993 National funds (1996 Fund A which had an accrued balance of \$7,057,589.91 as of January 10, 1997) at the date of ratification of this agreement may be used to fund the UAW / Allison National Training Center in Indianapolis, Indiana.

- Skill Center

The current Skill Center will be ongoing per Doc. 106 of the Allison / UAW National Agreement. Upon completion of the UAW / Allison National Training Center, the parties will discuss the transition of the Skill Center moving into the National Training Center.

Topic	Demand
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Job Assignment	SEPH - work functions 354
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TYPE OF ASSISTANCE

The Plan will provide for tuition and compulsory fees to be paid directly to the schools providing the course in which the applicants are enrolled. There shall be no duplication of tuition fees already covered by other state or federal education assistance plans or programs. Maximum eligibility under this Plan is \$8,000 of tuition assistance while on indefinite layoff. Eligibility is established by seniority as of last day worked prior to layoff as follows:

SENIORITY AS OF DATE OF LAYOFF

- 1 to 3 Years \$6,000
- 3 to 4 years \$7,000
- 4 or more Years \$8,000

The above specified amounts shall constitute an account upon which the worker may draw so long as the individual retains recall or rehire rights while on indefinite layoff. Certain changes in employment status will affect eligibility. If recall or rehire rights are lost under the terms of the Rolls-Royce Allison-UAW National Agreement, or full-time employment is accepted that would pay wages comparable to those on the former job at Rolls-Royce Allison, or if similar training programs are provided by a new employer, eligibility will cease. Continued eligibility will depend upon satisfactory completion of courses in which the employee has enrolled and compliance with other provisions of the Plan. In no event shall total assistance to an employee exceed \$8,000 in any four calendar year period.

TUITION ASSISTANCE PLAN FOR ACTIVE WORKERS

Eligibility

The participant must be a UAW represented Rolls-Royce Allison-US worker on the active employment rolls or on temporary layoff with seniority under the terms of the current Rolls-Royce Allison-UAW National Agreement. Also included are union officials on leave under the provisions of Paragraph 109 who are functioning in positions at Rolls-Royce Allison locations or special assigned Rolls-Royce Allison-UAW employees on leave under the provisions of Paragraph 109(a) who are assigned at UAW-Rolls-Royce Allison facilities. Additionally, the spouse or dependent children of a deceased, active employee will be entitled to utilize the remaining balance of the employee's current year's Tuition Assistance eligibility excluding any advance payment for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.

Type of Assistance

The Plan will provide for tuition and/or compulsory fees to be paid directly to the schools providing the course in which the applicants are enrolled. There shall be no duplication of tuition or fees already covered by state or federal education assistance plans or programs. The following courses shall entitle individuals to those benefit levels specified below:

- \$3,800 per year for courses at regionally accredited colleges or universities
- Advance Payment

Employees enrolled in college degree programs through accredited institutions, who exhaust their current year tuition eligibility, may utilize up to the present or next semester eligible expenses. This advance payment is provided only in conjunction with courses offered at regionally accredited colleges or universities on a semester or quarterly basis and is not available for job related or personal enhancement classes. Advance payment of up to \$1,000 will occur automatically when the employee's request for tuition assistance exceeds the current year eligibility.

Advance payment is not available in the last calendar year of Agreement, and does not expand total tuition assistance eligibility over the life of the present Agreement.

- \$2,100 per year for other job related courses
- \$1,450 per year for courses not related to the employees current job assignment through acceptable schools including those accredited by recognized accreditation agencies, those approved by Government Education or Training Programs, or certain specified others. The UAW-Rolls-Royce Allison will publish a listing of approved courses of study.

In no event shall the total assistance to an employee exceed \$4,800 in a twelve month period. All courses are subject to approval by the UAW-Rolls-Royce Allison.

Funding

The plan shall be funded by Plan A (Plant Funds).

Administration

The Plan will be jointly administered by the UAW-Rolls-Royce Allison.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this ____ day of _____, 2000.

International Union, UAW

Stephen P. Yokich
Ron Gettelinger
Frank Musick
Mary K. Riordan
Tom Ladd

Rolls-Royce Allison

Lee Rhyani
Reeder Singler
John Dearth
Cornell Brooks
Mick Nuckles
Jeff Deaton
Steve Fitzpatrick

Date: _____

LABOR STUDIES

During these negotiations, the Union and Rolls-Royce Allison agreed that eligible employees may use a portion of their Tuition Assistance Program allocation (which provides for the prepayment of tuition and compulsory fees up to certain dollar limits) for Key 4 - Joint Activities approved labor studies courses. These courses generally examine worker, workplace and union related subjects. To qualify for reimbursement courses must meet the following criteria:

- The courses must be available to an accredited college's/university's general student body and listed in its official course catalog.
- Tuition costs and compulsory fees must be within the generally accepted fee structure for such courses and be applicable to the accredited college's/university's general student body.
- Tuition costs and compulsory fees will be directly reimbursed to the accredited college/university through the Tuition Assistance Plan.

Participant attendance is voluntary, and is not considered hours of work or employment and not subject to Rolls-Royce Allison compensation.

The Grievance Procedure set forth in the Rolls-Royce Allison-UAW Agreement has no application to, or jurisdiction over, any matter relating to this letter.

Memorandum of Understanding

Scholarship Program for UAW/Rolls-Royce Allison Represented Dependent Children

During these negotiations the parties discussed the importance of continuing education for school-aged dependent children of UAW represented employees. In this regard, the International Union and the Rolls-Royce Allison have agreed to establish the UAW/Rolls-Royce Allison Joint Scholarship Program for UAW Represented Dependent Children.

The Key 4 shall appoint a joint committee to develop an UAW/Rolls-Royce Allison Joint Scholarship Program for UAW Represented Dependent Children per the UAW-GM guidelines and procedures. This scholarship program will be funded by Plant Funds-C. The program will be established based on the following parameters:

- The Key 4 will establish the annual amount of scholarship funds to be awarded to eligible recipients based upon the guidelines established by the UAW/GM HRC.
- The program will be open to dependent children of active, Rolls-Royce Allison retired or deceased UAW represented employees who are pursuing post-secondary education or training at an institution accredited by a governmental or nationally recognized agency. For purposes of this program, the definition of dependent children will be the same as defined in the UAW-Rolls-Royce Allison Legal Services Plan.
- The maximum amount of award will be limited to \$1,000 per year per recipient and be distributed directly to the recipient's educational institution for tuition and/or compulsory fees.
- Payments under the UAW/Rolls-Royce Allison Scholarship Program for UAW Represented Dependent Children will be subject to applicable federal, state, and local tax provisions.
- The Grievance procedure set forth in the current Rolls-Royce Allison/UAW National Agreement has no application to, or jurisdiction over, any matter related to this program.

Memorandum of Understanding

UAW-Rolls-Royce Allison Retiree Tuition Assistance Plan

This will confirm the understanding reached during the present negotiations that a Retiree Tuition Assistance Plan (including personal enhancement courses approved by recognized accreditation agencies and those approved by government education or training programs) for retired UAW-represented Rolls-Royce Allison employees shall be piloted and funded under the Tuition Assistance Program Plan A (Plant Funds). Retirees would be eligible to take classes approved on-site at the plant or local union hall at the location from which they retired. The courses offered to retirees must be those that are available to the active workforce.

The program provides up to \$1,000 per calendar year per retiree for the prepayment of tuition and compulsory fees for approved courses leading to credits or degrees only offered on-site by approved educational institutions, or courses included in a special range of approved competency based courses, including non credit and non degree courses or activities.

The pilot will be developed by the Key 4 and administered locally by the UAW and Rolls-Royce Allison. The Key 4 has the authority and discretion to interpret the terms of the pilot including, but not limited to, school and course approval, location of courses and program guidelines.

In addition, the grievance procedure set forth in the UAW-Rolls-Royce Allison Agreement has no application to or jurisdiction over any matter related to this joint program.

Subcontracting of Skilled Trades Work

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

It is the policy of Rolls-Royce Allison to perform maintenance work with its own employees, provided it has the labor, skills, equipment and facilities to do so and can do the work competitively in quality, cost and performance and within the projected time limits. At times the Company does not deem advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it will do any particular work or let the work to outside contractors. This letter is not to be regarded as impairing that right in any way.

The Company hereby assures the Union that it has no plans to change its policy and that it expects to continue its general operating policy of placing primary reliance on its own skilled trades employees to perform maintenance work to the extent consistent with sound business, as in the past.

In this regard, joint Management and Union work schedule and opportunity teams have worked very successfully in other locations. This approach has not only enhanced job security, but has allowed a better understanding as to the competitive challenges facing the parties. As such, the parties are committed to establish a skilled trades business team involving both Management and Union representation, who will work jointly to develop the most efficient approach to the work to be performed.

During the negotiations the Union discussed with the Company serious problems affecting the job security of employees resulting from contracting out of work. The Union complained that in certain instances the work force in maintenance and tool and die trades particularly was reduced through attrition and then work was contracted out to the point where there was insufficient manpower available within the plant to perform the work.

The essential elements in the complaints registered by the Union went to the question of job security.

During the negotiations, the parties reviewed the competitive advantage of Rolls-Royce Allison's talented skilled trades workforce. Discussed were the Union's concerns for the integrity of the apprenticeable trades, the job security of the skilled trades workforce, the content of skilled

trades work assignments, and the status of work functions historically performed by the bargaining unit.

At times it is not practicable for the Company to do the work itself, and it must, as in the past, reserve the right to decide whether it will do particular maintenance, tool and die and engineering skilled trades work, or contract it out. The Union recognizes that in making such decisions the Company must consider, among other things, the efficiencies and economies involved, the need for specialized tools and equipment, special skills and the necessity of meeting production schedules, model change and plant rearrangement deadlines.

In our discussions we agreed that employees' jobs should not be eliminated by reason of a practice of contracting out, and we agreed that existing employment opportunities of seniority employees should not be unnecessarily reduced by reason of management contracting out work. The Company, moreover, states that it is its policy to fully utilize its seniority employees, under circumstances in which it is reasonable and practicable to do so, in the performance of work which they have historically performed to produce its product and perform its services.

While Rolls-Royce Allison intends to provide this opportunity to its skilled trades work force, the parties agreed that prolonged schedules involving substantial overtime were not in the best interest of employees or the Company and, as a result, Rolls-Royce Allison must consider the availability of its skilled workforce when scheduling potential overtime. The parties are expected to work out acceptable means by which Management will have reliable information as to the hours employees will work when planning such work schedules.

Accordingly, the Company states that it will make a reasonable effort to avoid contracting out work which adversely affects the job security of its employees and that it will utilize various training programs available to it, whenever practicable, to maintain employment opportunities for its employees consistent with the needs of the Company.

During the current negotiations the parties also discussed the special procedure for processing subcontracting grievances as provided by Paragraphs (42a) and (46).

The parties agreed that should the Director of the Aerospace Department of the International Union elect to handle such a case pursuant to Paragraph (42a) (2), and refer it back to the Appeal Committee for negotiation pursuant to Paragraph (117), such negotiations shall be limited to the issues defined in the written record of the case.

The Company is genuinely interested in maintaining maximum employment opportunities for its skilled trades employees consistent with the needs of the Company. Therefore, in making these determinations, the Company intends always to keep the interests of Rolls-Royce Allison personnel in mind.

Very truly yours,

Reeder Singler
Director, Human Resources

JOBS PROGRAM - VOLUME RELATED LAYOFFS - SEL

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: JOBS Program - Volume Related Layoffs - SEL

During the course of these negotiations, the Company and Union have provided Rolls-Royce Allison employees with substantially increased job security through the new SEL feature of the JOBS Program, which protects eligible employees against layoff for virtually any reason except volume related market conditions. The parties recognize that employment levels may continue to fluctuate as a result of the cyclical nature of demand in our industry. The Company acknowledges, however, the importance of minimizing layoffs even in instances where volume related declines are unavoidable. In particular, the Union stressed the importance of reducing overtime and shifting dual sourced production requirements to the UAW-Rolls-Royce Allison plants in the event of overall market declines. The Company agrees to take these and other actions whenever practical.

In any event, however, employees affected by volume related declines would exercise their seniority in line with local seniority agreements and, if otherwise eligible, receive benefit treatment in accordance with the Supplemental Agreements attached to the current Rolls-Royce Allison/UAW Collective Bargaining Agreement.

Identifying the complex inter-relationships of all the factors involved with volume fluctuations is a difficult task. The parties agreed, however, that for purposes of determining SEL related protections they must identify just those volume declines that are attributable to market related conditions, and in turn just those declines that are not affected by Company sourcing choices of engines and components that compete with or act as replacements for engines and components produced by Rolls-Royce Allison employees covered by this Collective Bargaining Agreement. In other words, volume declines that are attributable to the Company's production and purchase arrangements with any related or unrelated party (subsidiaries, affiliates, captives, joint ventures, transplants, etc.) would be considered an exception to the overall volume related exclusion in Section I(D) of the JOBS Program.

The parties also agreed that the complexity of these issues requires that the Company provide the JOBS Committee adequate notice of any impending volume-related layoff, as well as all

information necessary to fully evaluate its underlying causes, the extent to which such decline is associated with a Company sourcing action and the appropriate number of SEL eligible employees that should be affected by the layoff.

The Company recognizes, moreover, that it has the responsibility to justify implementation of a layoff in the context of the protections spelled out in the JOBS Program and the guidelines outlined in this letter. Similarly, the Company also accepts the responsibility of proving that the proper number of employees are recalled to SEL positions when a volume related decline is reversed, again within the context of the JOBS Program protections and the guidelines outlined in this letter.

The following are to be considered as illustrations to assist the parties in determining when volume related declines support reductions in employment. These illustrations should not be considered all inclusive.

- *Market Related Conditions - Included in this category is customer preference of one gas turbine engine over another that might result in a decline in sales of a U.S.-built Rolls-Royce Allison engines that requires the layoff of employees, provided such sales declines are not the result, for example, of an engine sold in the U.S. by Rolls-Royce Allison but not produced in a UAW-Rolls-Royce Allison plant.*

- *Example of Market Related Conditions*

There is a decline in economic activity which depresses retail sales of UAW-Rolls-Royce Allison engines. Lower production levels require the layoff of employees. Plant A, employing 500 SEL-eligible employees, is the sole source of Engine Z for the U.S. market; it is required to layoff one shift, or 200 employees. The number of SEL-eligible employees at the plant remains at 500, including 200 open positions for laid-off employees.

While the plant is down to one shift, the Company decides to outsource a component, which reduces employment requirements by 20 employees per shift. Twenty (20) employees are placed on Protected employee status. There is no impact on the SEL numbers.

U.S. engine demand picks up to pre-layoff levels and the second shift is called back. Active employment at the plant goes back to 500.

As the second shift is called back and the plant is back to pre-downturn production levels, an additional 20 employees are placed on Protected employee status which now leaves a total of 40 employees. The SEL plant number remains at 500.

- *Product Discontinuance - Because of the introduction of a new U.S.-built Rolls-Royce Allison engine or a non-allied company engine not sold by Allison, sales of another Rolls-Royce Allison-manufactured engine may decline, and production of the latter engine must be*

curtailed necessitating reductions in employment. Such reductions would be considered volume related declines under Paragraph I(D) of the Program.

- Example of Product Discontinuance or Phase Out and Changes in Retail Preference

A new U.S.-built Rolls-Royce Allison engine (or any other new non-allied company engine which is not marketed by the Company) is introduced. Sales of Engine X decline by 50%, and production must be curtailed. The necessary reductions in employment are made through layoffs, keeping the number of SEL-eligible employees at the plant at the same level.

- Faulty Product - Engine volume may decline because of faulty parts in an engine that cause customers to place the product in disfavor. Such reductions would be considered volume related declines under Paragraph I(D) of the Program.
- Changes in Retail Preference - Rolls-Royce Allison volume may decline because of customer preference shifts -- in turn affecting mix and therefore demand, e.g., small engine preference shifts to large engine; option preference swings; high product content to low product content. Such reductions would be considered volume related declines under Paragraph I(D) of the Program.
- Non-Rolls-Royce Allison Commercial Customer Preference- Cancellation or declines in product volume for Rolls-Royce Allison manufactured parts that are sold to unrelated firms may cause volume changes. Such volume reductions would be considered volume related declines under Paragraph I(D) of the Program.

- Example of Non-Rolls-Royce Allison Commercial Customer Preference

Plant A produces components for certain helicopter engines. Volume is reduced as a result of a decline in gasoline consumption. One hundred fifty (150) employees are laid off; 150 open volume-related positions are established.

At the time production is back to pre-layoff levels the Company introduces two robots which replace 25 employees. According to SEL guidelines all of the 150 employees are recalled from layoff, 25 of them are assigned to Protected employee status, and the number of SEL-eligible employees remains equal to its pre-layoff level.

- Non-Rolls-Royce Allison Produced Engines - If sales of a new or replacement engine manufactured by an allied company for Rolls-Royce Allison, that competes with an engine manufactured by the Company, results in reduced sales of the Company-manufactured engine, the action would not be volume related and layoffs under Paragraph I(D) of the Program would not be permitted.
- Example of Non-Rolls-Royce Allison Produced Engines

The Company outsources an engine that it markets in competition with Engine W manufactured by UAW-Rolls-Royce Allison employees. This results in reduced sales of Engine W. Employment requirements are reduced, but this event is not covered under Paragraph 1(D) of the JOBS Program and layoffs are not permitted. This protection also extends to employees producing UAW-Rolls-Royce Allison components which are manufactured for Engine W.

- Other Components or Materials

It is recognized that reductions in engine production will often be accompanied by reductions in component production. When reductions in engine production are volume related, pro-rata reductions in component production will normally be considered volume related as well. However, to the extent a reduction in component production results from a shift in sales to engines sold by Rolls-Royce Allison but not produced in UAW-Rolls-Royce Allison plants, the reduction will not be considered volume related. Furthermore, when a like or similar component is dual-sourced from a UAW-Rolls-Royce Allison and a non-UAW-Rolls-Royce Allison plant, production declines at the UAW-Rolls-Royce Allison plant will only be considered volume-related to the extent the dual-sourced component produced at that plant continues to be produced in its pre-production decline proportion.

- Examples:

- (1) Plant A receives single crystal turbine blades from a UAW-Rolls-Royce Allison plant and equiax turbine blades from a non-UAW-Rolls-Royce Allison plant. A volume decline occurs in single crystal turbine blades because of customer preference for equiax turbine blades. Such reductions would be considered volume related declines under the Program but would not have to be taken proportionately because the turbine blades would not be considered like or similar components.
- (2) Plant B receives a component that has plastic fastening brackets from a UAW-Rolls-Royce Allison plant and the same component but with steel fastening brackets from a non-UAW-Rolls-Royce Allison plant. The components are used interchangeably and would be considered like or similar components. Therefore, any volume declines in this component production would have to be taken proportionately to be considered volume related.

As implied by these examples, there are many variations to be considered when determining volume actions. This letter is intended to provide a framework within which the JOBS Committee may review the applicability of Paragraph 1(D) to volume reductions.

If the JOBS Committee cannot agree on a situation being defined as volume related, the matter may be appealed to the national parties for resolution.

Very truly yours,

Reeder Singler
Director, Human Resources

FULL UTILIZATION OF PROTECTED EMPLOYEES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations regarding the JOBS Program – SEL, the parties discussed utilization of Protected employees at some length. The Company and the UAW have agreed that productive utilization of Protected employees is critical to the viability of our operations, and to the continued success of our JOBS Program.

It was agreed that the JOBS Committee must make every effort to ensure that Protected employees are fully utilized on meaningful assignments. The parties have recognized that both underutilized employees and unproductive assignments are contrary to the spirit of the Agreement. It is the intent of the Parties to utilize Protected employees in accordance with previously agreed practices.

For purposes of the JOBS Agreement, "non-traditional" work could encompass any assignment(s) within the facility (except regular productive work, including the direct production, assembly or fabrication of engines or components) which can efficiently and safely be performed by the individuals involved.

Very truly yours,

Reeder Singler
Director, Human Resources

VOLUNTARY POLITICAL CONTRIBUTIONS

It is agreed between Rolis-Royce Allison (Company) and the International Union, UAW (Union) that the following understandings have been reached in connection with the Union's request to make deductions for voluntary political contributions from the paychecks of Company employees represented by the Union.

1. The designated Financial Officer of each Local Union will furnish to Management for each employee for whom a deduction is to be made an Authorization Card signed by the employee containing the following information:

- (a) Name and address
- (b) Plant
- (c) Department Number
- (d) Social Security Number
- (e) Local Union Number
- (f) Amount to be deducted each period

Cards that cannot be processed will be returned to the designated Financial Officer of the Local Union for correction.

2. The Local Union may also elect to have Authorization Cards included in employees' packets to be distributed during Joint Orientation Programs for New Hires.

3. The Company will make such authorized deductions from checks for the first pay period ending in each deduction period, commencing **February 2000**, and continuing while such authorization is in effect for so long as the Company has an obligation to provide such procedure under the Federal Election Campaign Act. For hourly employees, where no regular payroll check is prepared for the first pay period in the month, the Company will make such authorized deductions from the check for the second, third, fourth or, if applicable, the fifth pay period ending in that deduction period. Deductions will be made from any checks prepared for the employee through regular payroll processing but will not be made from checks prepared through special payroll processing.

4. A deduction not made in one period will not be carried forward to a subsequent month.

5. Each deduction period Local Management will issue a single check for hourly employees, or by electronic transfer where possible, payable to UAW V-CAP care of the International Union for deductions made in the preceding period. Deductions from checks issued subsequent to the first pay period in a deduction period will be remitted to the Union in the following month's normal V-CAP remittance. Overpayment to the Union resulting from canceled employee authorizations will be recovered in a subsequent period.

6. A computer-generated, machine readable where possible, listing will also be forwarded which will indicate the name, address, payroll location code, local union number, department number, full social security number, and the amount deducted for each employee that pay period. Year-to-date deduction totals for each employee will also be included in the report. The Union will pay the Company each six (6) months, on July 31 and January 31, for the term of the 2000 Rolls-Royce Allison-UAW National Agreement the following:

- (a) A fee of \$0.075 per participant each six (6) months calculated on the number of participants as of June for the July billing and December for the January billing.

7. The Union will pay the Company the actual costs of initial setup and programming, of general administration, computer and machine time, and of processing new authorization changes or cancellations. Provided however, the Union and Company must agree on these costs prior to the implementation or change in this program.

8. The Company will bill the International Union for the amounts owed pursuant to Paragraph 7 above, which bill shall be paid in the month following the month in which billed.

9. The amounts set forth in Paragraph 7 above may be increased or decreased by the Company from time to time as experience dictates, upon notice to the International Union.

10. Employees who wish to cancel their authorizations for payroll deductions will sign a card supplied by the Union for that purpose. Refunds will be the responsibility of the Union.

11. The designated Financial Officer of the Local Union will collect and forward as one transmittal all signed Authorization Cards and Cancellation Cards for the initial processing and for each period to Management.

12. An Authorization Card that is not revoked by the employee shall continue in effect upon reinstatement to active status in the employing unit provided the employee's record is still being maintained by the employing unit's Payroll Department.

13. The Union will indemnify and hold harmless the Company from any and all liability or claims arising from administrative error resulting from the deductions provided for in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this ____ day of _____, 2000.

International Union, UAW

Stephen P. Yokich

Ron Gottellinger

Rolls-Royce Allison

Lee Rhyant

Reeder Singler

Frank Musick

Mary K. Riordan

Tom Ladd

John Dearth

Cornell Brooks

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

PLANT CLOSING MORATORIUM

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Mr. Gettelfinger:

Subject: Plant Closing Moratorium

As a result of your deep concern about job security in our negotiations and the many discussions which took place over it, this will confirm that during the term of the new Collective Bargaining Agreement the Company has no plans to close any plant constituting a bargaining unit under the Agreement.

In making this commitment, it is understood that conditions may arise that are beyond the control of the Company, e.g., act of God, and could make compliance with this commitment impossible. Should such conditions occur, the Company will review both the conditions and their impact on the particular location with the Union.

Should it be necessary to close a plant constituting a bargaining unit consistent with our past practice, the Company will attempt to redeploy employees to other locations and, if necessary, utilize the "Special Programs" identified in Document 3a of the Rolls-Royce Allison-UAW National Agreement or other incentivized attrition programs as agreed to by the parties.

Very truly yours,

Reeder Singler
Director, Human Resources

SPECIAL SKILLED TRADES REPRESENTATION

Where there are 30 or more skilled trades employees (E.I.T., E.I.T.S., Journey person) in any plant on a shift who are not represented by a District Committeeperson who is classified as a skilled trades employee, such employees shall be afforded the opportunity to meet with a Committeeperson who is classified as a skilled trades employee on specific skilled trades issues when they request such representation. The Shop Chairperson shall designate a Committeeperson who is classified as a skilled trades employee to handle specific skilled trades issues for these employees. The specific issues shall include agreements and memoranda on skilled trades, paragraphs 3, 102 or one of the provisions of paragraphs 152 through 183 of the Agreement.

FINANCIAL SECRETARIES - TEMPORARY DELAY OF DUES CHECK-OFF

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the parties discussed situations where the Local Union was required to refund union dues to a large number of employees. This occurred when employees were laid off after a dues deduction had been made but before they had worked sufficient hours to be liable for dues under the UAW Constitution for that month.

The Company advised the Union that in those situations where it is known in advance that a large number of employees (100 or more) are scheduled to be permanently laid off and are not anticipated to work the necessary hours to owe dues under the UAW Constitution, the Financial Secretary may request that the plant delay for one week the deduction of monthly dues. In similar situations where the number of employees being laid off is less than 100, the Financial Secretary may request that the regular deduction of monthly dues for these employees be suspended. These requests must be submitted to the plant Director, Human Resources one week prior to the payroll period that monthly dues deductions are made.

Upon request of the Manager, Employee Relations, the payroll department will initiate the required steps to accomplish this procedure.

Very truly yours,

Reeder Singler
Director, Human Resources

[See Par. (4k),(4o),(61c)]

PURCHASING ACTIVITY COMMUNICATION

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the course of these negotiations, many discussions took place concerning the development of a more efficient communication process with the Rolls-Royce Allison Purchasing activity, particularly with respect to its role in the sourcing process. To address the Union's concerns in this regard, the Company will provide an orientation meeting with the appropriate members of the Purchasing Activity within 30 days of the effective date of the new Agreement. The purpose of this orientation will be to educate the members of the purchasing organization on the requirements of Document 4 of this agreement and to identify experts within the purchasing organization who will be available to answer questions of the International Union as the provisions of the Sourcing language are implemented and applied.

Very truly yours,

Reeder Singler
Director, Human Resources

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Mr. Ron Gettelfinger:

During current negotiations, the parties reaffirmed their recognition of the value of an open and candid exchange of views and ideas between officials of the UAW and Company management. Of particular importance to the Union is a timely exchange of information on major decisions that will significantly impact the employees it represents. As a result of these discussions, when requested, arrangements will be made for the Director of the Aerospace Department of the UAW or his designee to address the Company's top executive officers.

Very truly yours

Reeder Singler
Director, Human Resources

**Interpretation of the Time and One-
Half Provisions of the National
Agreement
Paragraph (85)(a)
(Special Case Caused by Short Shift)**

In the event an employee works more than eight consecutive straight time hours on a shift (exclusive of an unpaid lunch period) under circumstances where the present daily overtime provisions and interpretations would make the time worked in excess of eight hours on that shift payable at straight time, such time worked in excess of eight hours on that shift will be paid for at time and one-half. Any such time worked and paid at time and one-half instead of straight time, will be considered as having been paid at straight time for purposes of computing daily overtime within the 24-hour cycle in which such time worked occurs.

WORKING HOURS

Example: Special Case
Caused By
Short Shift

D - Calendar Day
HW - Hours Worked
ST - Straight Time
T 1/2 - Time and One-
Half
DT - Double Time
PH - Pay Hours

D	FROM	D	TO	H W	S T	T 1/2	DT	PH	REMARKS
S	7:00 A		3:30 P	8			8	16	
M	6:00 A		3:30 P	9	8	6:00 A- 7:00 A		9.5	
T	6:00 A		11:30 A	5.5	4. 5	6:00 A- 7:00 A		6	(1)
W	6:00 A		3:30 P	9	8	2:30 P- 3:30 P		9.5	(2)

T h	6:00 A		3:30 P	9	8	6:00 A- 7:00 A		9.5	
F	6:00A		3:30 P	9	8	6:00 A- 7:00 A		9.5	

- (1) Sent home or excused by Management.
- (2) Under G-153 and G-208, all 9 hours would be at ST. Under the 1967 interpretation, the hour from 2:30 to 3:30 p.m. would be at T 1/2 but would be counted as a straight time hour for purposes of computing daily overtime for the 24-hour cycle from 7:00 a.m. Wednesday to 7:00 a.m. Thursday.

**Interpretation of
Working Hours Section**

(Delayed Starting Time on Sunday Night)

In negotiations, the Union has cited the following examples:

An employee is scheduled to start work at 12:01 a.m. on Monday and at 10:30 p.m. for the rest of the week. The first eight hours beginning at 12:01 a.m. Monday were paid at straight time.

An employee starts a week at 10:30 p.m. Monday. This shift is also worked Tuesday night, Wednesday night, Thursday night and Friday night. The shift beginning 10:30 p.m. Saturday may or may not be worked. The employee is brought in Sunday night but instead of starting at the usual time of 10:30 p.m., the starting time is delayed until 12:01 a.m. Monday. The next week is then started at the usual time of 10:30 p.m. Monday. The first 8 hours beginning at 12:01 a.m. Monday were paid at straight time.

The Company advised the Union that in these and similar cases, the shift that starts at 12:01 a.m. on Monday will be considered a Sunday shift and paid at double time. The employee's 24-hour cycle shall be considered to have started at 10:30 p.m. Sunday night.

[See Par. (82),(86)]

**Interpretation of
Working Hours Section**

(Special Double Time Case)

During negotiations the Union has cited a situation in which a third shift employee worked seven shifts in the week and received no double time under the following circumstances.

Example #1

The employee worked the first five days of the week beginning each day at the regular shift starting time. The employee's sixth shift was advanced from 12:01 a.m. Saturday to 11:00 p.m. Friday and the employee then worked eight hours. The seventh shift was advanced from 12:01 a.m. Sunday to 11:00 p.m. Saturday.

Example #2

The employee worked the first five days of the week beginning each day at the regular shift starting time. Then the employee's sixth shift was advanced from 12:01 a.m. Saturday to 11:00 p.m. Friday and eight hours were then worked. The seventh shift was advanced from 12:01 a.m. Sunday to 3:30 p.m. Saturday.

The Company advised the Union that if this or other such cases occur where the starting time of the employee's seventh shift is advanced from Sunday to Saturday, the employee involved will be paid at double time for the hours worked by the employee on the seventh shift worked even though the shift starting time falls on Saturday.

{See Par. (86)}

**Interpretation of
Working Hours Section**

(Special Protracted Work Period Case)

During negotiations, the Union cited a situation in which an employee worked for a continuous period of more than twenty-four (24) consecutive hours where the hours worked in excess of twenty-four (24) were paid for at straight time.

The Company advised the Union that in such a case, those continuous hours worked in excess of twenty-four (24) will be paid for at the rate of time and one-half unless such hours would otherwise be paid for at a higher premium pursuant to the provisions of the Working Hours Section of the Agreement. Any such time worked and paid at time and one-half instead of straight time, will be considered as having been paid at straight time for purposes of computing daily overtime within the 24-hour cycle in which such time worked occurs.

[Sec Par. (85)(a)-(c),(86)]

NOTICE TO LAID OFF EMPLOYEES OF
ANTICIPATED RECALL

Date: February 26, 2000

Subject: Notice to Laid Off Employees
of Anticipated Recall

To: All General Managers
All Human Resource Directors

As a part of current negotiations, Rolls-Royce Allison informed the International Union, UAW that the following letter, concerning Notice to Laid Off Employees of Anticipated Recall would be published. The text of that letter is as follows:

"During negotiations, the parties discussed at length the problems involved in recalling large masses of employees back to work from layoff in situations such as the addition of a shift at a plant. Both parties recognized the mutual interest that would be served by the local management notifying laid off seniority employees in advance of such known mass recalls to facilitate the orderly recall when it in fact occurs.

"Accordingly, when mass recalls are anticipated sufficiently in advance at a local plant, local management and the local union should discuss the matter of a pre-recall notification to employees in an attempt to arrive at a mutually satisfactory method to implement the notice.

"It is mutually recognized that such notice or lack of notice will be without prejudice to either party in the application of any terms of the Agreement or any local agreements. Moreover, any agreement reached with respect to advanced notice of anticipated recall will not be cited or relied upon by an employee or the union or the management as a basis for a claim for or denial of back pay."

Reeder Singler
Director, Human Resources
[See Par. (64)(c)]

RELIEVING EMPLOYEE FOR COMMITTEEPERSON DISCUSSION

Consistent with the purpose of the Grievance Procedure, a rule of reason should be applied in determining whether an employee should be excused from the job in order to confer with the Committeeperson handling the employee's grievance. A rule of reason should likewise be applied when, due to production difficulties, excessive absenteeism, or other emergencies, it will not be possible to immediately relieve the employee from the job. On many jobs discussion between the employee and the Committeeperson is entirely practical without the necessity for the employee being relieved. On the other hand, an employee working in an excessively noisy area should be permitted a reasonable period of time off the job and a suitable place in which to discuss the grievance with the Committeeperson. This shall not interfere with any local practice which is mutually satisfactory.

[See Par. (5),(19),(30)]

REPRESENTATION DURING MANAGEMENT MEETINGS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During current negotiations, the Union expressed concern that the increased requirements on the Committeepersons' time for attendance at management meetings was, on occasion, preventing employees from receiving representation in a timely manner.

In this regard, the Company and the Union agreed that when such a situation exists, the local parties will allow the Alternate District Committeeperson to handle current grievances until such time as the District Committeeperson becomes available.

In the case of District Committeepersons who are also members of the Shop Committee pursuant to Paragraph (11) of the Agreement, the local parties will allow their Alternate District Committeepersons to handle current grievances during the period that such District Committeeperson is legitimately involved in meeting with Management at Step Two and Step Three of the Grievance Procedure or during other mutually agreed upon local contract negotiations meetings.

Any problems in this area should be raised with the International Union UAW or with the Labor Relations Staff.

Very truly yours,

Reeder Singler
Director, Human Resources

[See Par. (25)]

UAW-ROLLS-ROYCE ALLISON JOINT ADAPT (ACCOMMODATING DISABLED PEOPLE IN TRANSITION) (FORMERLY JOB PLACEMENT PROCESS)

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the parties discussed issues regarding the UAW-Rolls-Royce Allison Joint ADAPT (Accommodating DisAbled People in Transition) Process (formerly Job Placement). The parties agree this process was designed to enable employees with disabilities to be retained at work or returned to work from a sick leave or worker's compensation leave and be placed on jobs within their physical restrictions, while complying with applicable provisions of the local and National Agreements. The parties further agree that the ADAPT process will be used in returning employees to work who are able to do meaningful work.

The process will be administered at the plant level in accordance with existing National Guidelines. Problems not resolved at the plant level will be communicated to the National Parties for resolution.

Very truly yours,

Reeder Singler
Director, Human Resources

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the course of current negotiations, the parties discussed programs currently utilized in other UAW represented locations focused on the subjects of Workplace Violence Prevention and Critical Incident Response.

This letter is intended to document the understandings reached by the parties during these negotiations to jointly study and implement a process to address Workplace Violence Prevention and Critical Incident Response.

The starting point for implementing these initiative is to assemble a local emergency planning committee to address both of these subjects. The Committee should be coordinated or chaired by a representative of the Company and include representatives from EAP, the plant medical staff and Security. This Committee will focus on methods of enhancing efforts to develop the protocol for dealing with risks and/or acts of violence.

It is believed that these efforts will reduce the risk of workplace violence and improve the response to critical incidents.

Very truly yours,

Reeder Singler
Director, Human Resources

MEMORANDUM OF UNDERSTANDING REGARDING DRUG TESTING

During National Negotiations, the parties discussed at length the worsening drug problem in our country and the rising incidence of chemical dependency. Chemical dependence on the part of employees impacts the workplace in terms of quality, productivity, and effectiveness of operations, while threatening the safety and well-being of both the chemically-dependent employee and his/her co-workers. As a result, the parties agreed to institute a screening program and to periodically review it during the term of the agreement and make adjustments where deemed appropriate. This memorandum reflects such screening program and adjustments to it.

Process

Employees may be screened for substance abuse (alcohol and drugs) in the following instances:

1. As part of a return to work physical for employees returning from substance abuse related sick leaves of absence.
2. As required by law: such as, F.A.A., D.O.T. and D.O.D.

All testing and reporting will be conducted in accordance with the guidelines established by the Department of Health and Human Services.

Implications

An individual who tests positive will be handled in the following manner:

1. **FIRST POSITIVE:** The employee will be deferred from working for approximately two weeks and scheduled for follow-up testing. EAP services are to be offered to the employee and the employee is to be referred to the CDR. The employee will automatically be subject to further unannounced screening for a period of three months.
2. **SECOND POSITIVE:** The employee will again be deferred from working for approximately two weeks and scheduled for follow-up testing. EAP services are to again be offered to the employee and the employee is to be referred to the CDR. The employee will automatically be subject to further unannounced screening for a period of six months.
3. **THIRD POSITIVE:** The employee will again be deferred from working for approximately two weeks and scheduled for follow-up testing. EAP services are to again be offered to the employee and the employee is to be referred to the CDR. The employee will automatically be subject to further unannounced screening for a period of twelve months.

4. **FOURTH POSITIVE:** The employee will be discharged regardless of prior disciplinary record or length of service. Grievances protesting irregularities in the testing procedure may be taken through the grievance procedure; however, extent of penalties arguments are not subject to the Umpire's discretion.

All positive test results will be subject to a mutually agreed to third party evaluation upon request of either party. Problems selecting a third party may be referred to the National EAP Committee. Employees who refuse to be tested will be treated as though they had tested positive.

Once terminated, if the employee satisfactorily documents to local management and local union six months continuous sobriety, within the 60 months following discharge, the employee will qualify for re-employment under Article VII of Document 39 of the Agreement.

International Union, UAW

Rolls-Royce Allison

Stephen P. Yokich

Lee Rhyant

Ron Gettelfinger

Reeder Singler

Frank Musick

John Dearth

Mary K. Riordan

Cornell Brooks

Tom Ladd

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

Dated: _____

DRUG TESTING - FEDERALLY MANDATED

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Re: Federally Mandated Drug Testing

During these negotiations, the parties discussed the subject of drug testing mandated by the Department of Transportation, the Federal Aviation Administration, and the handling of positive drug tests under this legislation.

It is the Company's intent to continue the practice of removing employees who test positive from the covered job.

If an employee who is required to be tested by law, tests positive then transfers to a non-covered classification, the employee will be removed from the drug testing pool and will not be subject to further drug testing except in the case of return from substance abuse related sick leave. Such employees will not be returned to a covered job until submitting to a further drug screen and testing negative. The parties will discuss and develop a process for the placement of employees who have tested positive and wish to be placed in an assignment involving the use of motorized equipment requiring a license.

Very truly yours,

Reeder Singler
Director, Human Resources

PERSONNEL PRACTICES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the negotiations the subject of personnel practices with different application to hourly and salaried employees was again discussed as an area giving rise to the appearance of a "double standard" of treatment. To this end, it was agreed to republish the text of the following letter on the subject of such personnel practices:

"During these negotiations, the Union expressed concern regarding certain plant personnel practices that have different application to salaried and hourly employees. It was stated that such practices may adversely impact employee attitudes thereby affecting union-management efforts to improve local operations and the work environment.

"The Company responded by describing the many innovative and varied approaches taken by the parties to address these issues.

"Accordingly, it was agreed that such matters are more appropriate for discussion by the parties as part of their continuing efforts to establish a work environment and relationship characterized by mutual respect and trust."

Very truly yours,

Reeder Singler
Director, Human Resources

ROLLS-ROYCE ALLISON EQUAL OPPORTUNITY
EMPLOYMENT POLICY

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

The following is the text of the written and published policy of Rolls-Royce Allison in employment:

"The policy of the Company is to extend employment opportunities to qualified applicants and employees on an equal basis regardless of an individual's age, race, color, sex, religion, or national origin.

"Hiring and employment practices and procedures implementing this policy are the responsibility of the employing units. However, these practices, procedures and decisions are to be, at all times, in conformity with the Company Equal Opportunity Employment Policy."

Very truly yours,
Reeder Singler
Director, Human Resources

(See Preface, Par. (6a), (63), (153))
(See Doc. 31, 32, 33, 99)

Equal Application Committees-National and Local

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

For many years the Company and your Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, color, religion, age, sex, national origin, handicap and sexual harassment and to this end the parties have expressly incorporated Paragraph (6) in their Agreement that both insures adherence to that principle in all aspects of employment at Rolls-Royce Allison and provides the contractual grievance and arbitration procedure for the resolution of alleged violations of that principle.

The parties recognize the desirability of increased communication and cooperative effort on this subject (1) to encourage employees and grievance representatives to use the grievance and arbitration procedure as the exclusive method for prompt resolution of all claims of violations of Paragraph (6), (2) to determine the cause of such claims in order to reduce the probability of these claims arising or recurring, and (3) to maintain liaison with appropriate federal and state civil rights agencies for the following purposes: (a) to increase understanding, (b) to promote and encourage the use of the grievance and arbitration procedure in order to avoid multiplicity of litigation in many forums simultaneously which is frequently time consuming, contradictory and hence, nonproductive to relieving employee problems, (c) to seek solutions to mutual problems, (d) to relieve tensions in this area, and (e) to exchange information, expertise and advice.

Accordingly, the parties agree to establish within thirty (30) days of the ratification of the Agreement dated today an Equal Application Committee.

The Equal Application Committee will be composed of two (2) representatives of the Union, one of whom will be a member of the International Union's Civil Rights Committee, or a designee, and two (2) representatives of the Company, one of whom will be active in the Company's equal employment opportunity programs. The Committee will meet as frequently as is mutually deemed desirable or necessary and its functions shall be the following:

- a. Review and discuss ways and means of encouraging employees and grievance representatives to use the grievance and arbitration procedure as the exclusive method to resolve claims of violations of Paragraph (6).
- b. Conduct or arrange for investigations and/or studies into the cause of equal employment opportunity and discrimination problems and tensions in an attempt to prevent such problems from arising or recurring.
- c. Maintain liaison with appropriate federal and state agencies for purposes set forth in the second paragraph of this letter.
- d. Review and discuss ways and means of implementing Rolls-Royce Allison's policy regarding employment of the handicapped.
- e. Recommend ways and means of promoting use of the grievance procedure as the exclusive method for resolving claims of violations of Paragraph (6a).
- f. Suggest guidelines for Union and company representatives active in the grievance procedure in the proper and prompt handling of grievances alleging such claims.
- g. Recommend a means for determining the cause of equal employment opportunity and discrimination problems and tensions in the plant.

Where the Chairperson of the Civil Rights Committee of the Local Union is an employee of the plant wages will be paid for time spent attending the quarterly meetings.

Copies of the minutes from these meetings will be made available to the Union.

The parties continue to recognize their legal and moral responsibility for assuring that all Rolls-Royce Allison employees have equal employment opportunities and freedom from discrimination as set forth in Paragraph (6) of the Agreement. Consequently, the function of the Equal Application Committee shall be advisory, consultative and cooperative. While the Company and the Union will welcome the recommendations the Committee may make, the Committee may not commit either party to a specific course of action. However, the Union agrees that it will encourage its members to utilize the grievance and arbitration procedure as the means of resolving claims or complaints against the Company which allege a violation of Paragraph (6).

Very truly yours,

Reeder Singler
Director, Human Resources

{See Doc. 30.32.33.99}

**ROLLS-ROYCE ALLISON POLICY REGARDING EMPLOYMENT
OF THE HANDICAPPED**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

The following is the text of the written and published policy of Rolls-Royce Allison regarding employment of the handicapped:

"The policy of the Company is to make reasonable accommodation to the limitations of qualified handicapped persons and to extend employment opportunities to such persons taking into account the needs of the business and financial cost and expenses.

"Hiring and employment practices and procedures implementing this policy are the responsibility of the employing units. However, these practices, procedures and decisions are to be, at all times, in conformity with the Company Policy Regarding Employment of the Handicapped."

Consistent with the foregoing policy, the requirements of Section 503 of the Rehabilitation Act of 1973 and the Americans with Disability Act and the rules and regulations promulgated thereunder, Allison represents that it will affirmatively act to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices.

Very truly yours,

Reeder Singler
Director, Human Resources

{See Par. (6)}

{See Doc. 30,31,33,99,107}

**ROLLS-ROYCE ALLISON POLICY REGARDING EMPLOYMENT OF DISABLED
VETERANS AND VETERANS OF THE VIETNAM ERA**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

The following is the text of the written and published policy of Rolls-Royce Allison regarding employment of disabled veterans and veterans of the Vietnam era:

"The policy of the Company is to make reasonable accommodation to the limitations of qualified disabled veterans and to extend employment opportunities to disabled veterans and veterans of the Vietnam era taking into account the needs of the business and financial cost and expense.

"Hiring and employment practices and procedures implementing this policy are the responsibility of the employing units. However, these practices, procedures and decisions are to be, at all times, in conformity with the Company Policy Regarding Employment of the Disabled Veterans and Veterans of the Vietnam Era."

Consistent with the foregoing policy, the requirements of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and the rules and regulations promulgated thereunder, Rolls-Royce Allison represents that it will take affirmative action to employ, advance in employment and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their physical or mental handicap in all employment practices.

Very truly yours,

Reeder Singler
Director, Human Resources
{See Par. (6)}
{See Doc. 30,31,32,99}

REVIEW PERSONNEL RECORDS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Mr. Ron Gettelfinger:

During the current negotiations, the Union expressed concern regarding the rights of employees to review their personnel records.

This will confirm that the right to review individual personnel records will be extended as a matter of policy to Rolls-Royce Allison employees.

Very truly yours,

ROLLS-ROYCE ALLISON

Reeder Singler
Director, Human Resources
[See Par. (76b)]

SELECTION OF EMPLOYEES-IN-TRAINING

The parties have as a mutual objective maximizing employment opportunities for minorities and women as employees-in-training in skilled trades classifications. The parties recognize the applicable laws governing the selection of individuals as employees-in-training in the skilled trades is undergoing continuing development and refinement.

The parties, therefore, agree as follows:

- a. The Rolls-Royce Allison-UAW Skilled trades and Apprentice Committee shall review the utilization of minorities and women as employees-in-training in skilled trades classifications to determine whether obstacles exist to the achievement of a more representative utilization of such employees who are qualified and interested in skilled trades work..
- b. Where such obstacles are determined to exist, the Rolls-Royce Allison-UAW Skilled Trades and Apprentice Committee shall agree upon appropriate action to remedy particular situations or to establish various methods of selection including, where practicable, the establishment of special pre-ETT training programs to further equal employment opportunity for minorities and women in the employee-in-training program.

International Union, UAW

Stephen P. Yakich

Ron Gettelfinger

Frank Musick

Mary K. Riordan

Tom Ladd

Rolls-Royce Allison

Lee Rhyant

Reeder Singler

John Dearth

Cornell Brooks

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

PAID EDUCATIONAL LEAVE

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the term of the 1984 Agreement, General Motors and the UAW developed a National Paid Educational Leave (PEL) Program which provided selected employees with a unique educational opportunity to enhance their knowledge of the automobile industry. The jointly developed and administered PEL Program utilized industry experts, university analysts and political officials to examine and discuss the economic, technological, and political forces influencing the future of the world-wide automobile industry.

This innovative, jointly administered labor-management program has been enthusiastically received by attendees, and UAW and General Motors officials. Academicians, Governmental representatives, writers for world-wide news and trades publications have examined the program and view it as a positive step forward in the industrial relations process. A local version of the PEL Program has also been jointly developed and is currently operating at numerous locations.

During these negotiations, the parties reconfirmed their support of the concepts embodied in the local and national PEL Programs and agreed to attempt to develop a version of the PEL Program, targeted toward the Aerospace industry, which may be utilized for both present and future Rolls-Royce Allison bargaining unit employees and appropriate management representatives.

Very truly yours,

Reeder Singler
Director, Human Resources

RESOURCE AND REFERRAL SERVICES - WORK/FAMILY PROGRAM

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the parties discussed matters relating to the Resource and Referral Services - Work/Family Program. The parties sought to integrate child care and elder care into a comprehensive program, and to make those resources available to active UAW-represented employees. To that end, the parties have agreed to a child care and elder care Resource and Referral Services - Work/Family Program for active employees.

This Program is designed to assist employees in finding and selecting quality child care, and elder care which meets their individual needs and provides information to make them more informed consumers of child care and elder care services.

Under the direction of the Executive Board-Joint Activities, the parties will be responsible for program development, determination of delivery methods, coordination and evaluation. Funding will be provided by Joint Training Funds.

Very truly yours,

Reeder Singler
Director, Human Resources

ORIENTATION PROGRAM

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the course of current negotiations Rolls-Royce Allison and the International Union, UAW reaffirmed their commitment to the Rolls-Royce Allison-UAW Orientation Program. The details of the orientation program are as follows:

"Men and women enter the work force today with little or no knowledge of what is expected of them as employees and as union members in a unionized, industrial plant community. Many of them have not been adequately prepared to cope with industrial situations in which they suddenly find themselves.

"New employees come to Rolls-Royce Allison with little or at best incomplete information about their employer and their union. They have little knowledge of the extensive economic benefits available to them as agreed upon in collective bargaining between the UAW and Rolls-Royce Allison over a period of more than thirty years.

"Many new employees may be unaware of the commitment of Rolls-Royce Allison and the UAW to fair employment practices and to the application of the Agreement to all employees without regard to race, color, creed, age, sex or national origin. They are not familiar with basic contract provisions covering such subjects as transfers, promotions, shift preference and seniority. They may be unaware of the opportunities for advancement to highly paid skilled trades jobs through the Apprentice and EIT programs. They tend to be unfamiliar with the obligations of the employee to his job, to the union and to his employer. Many are unaware of the importance of regular attendance, quality workmanship and the need for cooperation by all in getting the job done. Too often they are unacquainted with the various procedural matters related to their job and their relationship to their union and their employer.

"New employees usually have little knowledge of the long history of the UAW and of the administrative structure of the UAW at the International and local union levels. They do not

understand about their relationship to the union, about the initiation fees and dues requirements and their rights within the union contained in the UAW Constitution and guaranteed by right of appeal to the Union's Public Review Board.

"Frequently, they have never seen the inside of a manufacturing plant before and are unfamiliar with the operations, the nature of the product and how it is used.

"You have underscored these realistic considerations in our recent discussions. You have indicated that this may explain to some extent the high turnover and absenteeism being experienced in industry today among the new work force. And you have suggested that a properly developed and conducted orientation procedure designed to create an 'awareness of the dynamics of the labor-management relationship, and the years long effort to build a community of interest in resolving labor-management problems through orderly procedures...' might serve the best interest of the employees, the UAW and Rolls-Royce Allison.

"Accordingly, pursuant to the Union's suggestion, the Company will, in cooperation with the International Union, undertake development of a joint pilot orientation program to be presented to new job applicants prior to the time they start their jobs.

"The content of the orientation program would be developed by the Company and the International Union and utilized when significant numbers of new employees are being hired.

"The Company and the International Union would determine how the various portions of the orientation program would be implemented. Some subjects might most appropriately be presented by a Management representative, some by a Union representative, and others by both Management and Union representatives.

"The orientation program would not be subject to the grievance procedure and could be terminated at any plant by either the International Union or the Company, in the event that the program at the plant was not being carried on in a manner consistent with the purpose and intent of the program as established by the national parties. The joint orientation program would be limited to those subjects agreed to by the Company and the International Union and the establishment of such a program would not limit any other communication by Management with its employees or by the Union with its members.

Very truly yours,

Reeder Singler
Director, Human Resources

MEMORANDUM OF UNDERSTANDING EMPLOYEE ASSISTANCE PROGRAM

Rolls-Royce Allison and the International Union express their determination to work jointly with personal problems including substance abuse and mental health among Rolls-Royce Allison workers and their families.

Alcoholism and drug dependency is recognized by medical, public health authorities, Allison Engine Company and the UAW as a disease. These diseases can impair workers' ability to function in their lives and on their jobs. Alcoholism and drug dependency as well as other personal problems contribute to increased absenteeism and tardiness and deterioration of job performance. This in turn disrupts work schedules with consequent dissatisfaction among the majority of workers who are sincerely trying to do conscientious jobs. The combination of factors is recognized as having a potentially damaging effect on plant efficiency and endangers the job security of the worker.

The causes of personal problems including alcoholism, drug dependency and mental health are not well understood and cures are difficult. Nonetheless, Rolls-Royce Allison and the UAW believe that constructive measures are possible to deal with these problems which can be a major cause of family breakdown and are related to personal breakdown and violence in the community.

Allison Engine Company and the International Union agree that the UAW-Allison Employee Assistance Program should be used to provide all EAP services for all UAW represented employees.

I. Objective

The objectives of this joint effort are to help employees and their family members develop healthier life styles and enhance the effectiveness of the workforce. Further the purpose of this program is designed to help prevent the development of personal problems and provide access for treatment and after care for those already affected.

Rolls-Royce Allison and the International Union acknowledge that neither local management nor the local union working alone can always provide the level of motivation required by employees experiencing personal problems. As a result, joint efforts are imperative in encouraging the employee to seek EAP services, as needed, to respond successfully to treatment, and to maintain a resolve to avoid further personal problems.

II. Guidelines for Administration

Responsibility for directing and coordinating these efforts will be the principal function of the Rolls-Royce Allison/UAW Employee Assistance Program Committee. The Committee will be comprised of an equal number of representatives from the respective organizations and will be co-chaired by the Vice President, Human Resources of Rolls-Royce Allison and the Vice President and Director of the Aerospace Department of the UAW, or their designated representative(s). This Committee will engage in joint efforts and function administratively in consultation with an EAP Committee comprised of local management and local union personnel which will review the efforts of the local EAP team on a regular basis. The Committee will meet regularly for the purpose of reviewing the administration and operation of the UAW-Allison Employee Assistance Program, resolving issues not otherwise resolved and providing direction and consultation to the local EAP Committee. In this regard it is important to:

1. Generate a climate at the plant level which will eliminate the effects of the social stigma associated with mental disorders, alcoholism and drug dependency, and other personal problems which act as a barrier to employees seeking help to resolve personal problems;
2. Exercise their best efforts toward the objective of earlier identification and motivation of the employee to accept EAP services;
3. Assure confidentiality in working with the employee;
4. Develop and disseminate educational and informational materials for use at the plant level.

III. Local Employee Assistance Program Administration

The local EAP Committee consists of the Director, Human Resources or a designated Management representative, the Manager of Employee Benefits, the President of the Local Union and the Chairperson of the Shop Committee. It will be the responsibility of this Committee to review on a periodic basis the local Employee Assistance Program.

Rolls-Royce Allison and the International Union will designate representatives of local management and representatives of the local union to work jointly on these problems. Among the responsibilities of the local EAP team are:

1. Work with providers to identify community resources for inclusion in the referral network. Where facilities are inadequate or unavailable, undertake efforts to improve the situation.
2. Help employees and family members understand that they may consult on a confidential basis with the local EAP team, or a provider or treatment facility within the providers network concerning their problem.

3. Arrange for the local union benefits representative to be available to explain to the employee and others who may be involved the extent to which recommended treatment qualifies for payment under the Rolls-Royce Allison Health Care Program.

4. Establish and maintain active aftercare and follow-up programs. Help employees understand the therapeutic benefits of self-help groups and engage EAP participants in these group activities.

5. Monitor program use and assist in the evaluation of Vendor's performance.

Rolls-Royce Allison and the International Union acknowledge that:

1. Nothing in this statement is to be interpreted as constituting any waiver of Management's responsibility to maintain discipline or the right to invoke disciplinary measures in the case of misconduct which may result from or be associated with the use of alcohol or drugs or personal problems. The union may exercise its right to process grievances concerning such matters in accordance with the Rolls-Royce Allison-UAW National Agreement.

2. During or following treatment the employee should not expect any special privileges or exemptions from standard personnel practices; and

3. When a leave of absence is necessary so that an employee may undergo medical treatment for alcoholism or drug dependence or personal problems in or from an appropriate facility in accordance with this program, and when the employee has voluntarily submitted to such treatment and provided the employee has unbroken seniority, sick leave of absence will be granted pursuant to the National Agreement and the employee will be eligible for benefits in accordance with the Rolls-Royce Allison Health Care and Life and Disability Benefits Programs as negotiated with the International Union.

IV. Additional Understandings

During the course of 2000 Negotiations, the parties held extensive discussions over a wide range of EAP subjects. The following represents the highlights of those discussions and the commitments arrived at between the parties:

1. A key ingredient in combating personal problems lies in education, early identification and early intervention. Accordingly, the National Employee Assistance Program Committee has developed a comprehensive education and training program directed at all levels of local management, local union, and the work force. Administrative costs of the program will be funded by the Executive Board-Joint Activities (Key 4).

2. The UAW-GM Employee Assistance Program and its standards were used as templates for the Rolls-Royce Allison-UAW EAP program. Those standards are incorporated by reference into the terms of this Memorandum, including revisions or modifications the parties may make in the future. Problems related to the implementation of these standards will be

brought to the attention of the UAW-Rolls-Royce Allison Employee Assistance Committee for resolution.

3. The Employee Assistance Program Committee will continue efforts towards facilitating the professional development of individual plant EAP Representatives. In line with professional development, the parties commit to expand professional development efforts to include mandating certifications of EAP Representatives.

V. EAP Representation

1. Employee Assistance Representatives will be scheduled to report for Employee Assistance representation purposes during overtime, part-time or temporary layoffs, or inventory when 50% or more of the people they represent on their respective shifts are scheduled to work.

2. During overtime hours, when less than fifty percent (50%) of the people they represent on their respective shifts are scheduled to work, they will not function pursuant to this Memorandum of Understanding, but will be considered for work in their respective equalization groups in accordance with Paragraph 71 of the National Agreement.

VI. Drug Testing

Because of the recent emergence of a substantial body of legislation requiring drug testing of many of the Company's employees, both represented and non-represented, the parties have had extensive discussions surrounding drug testing and have agreed to the following:

1. All drug testing performed will be conducted in accord with applicable laws mandating or regulating such testing; such as, Federal Aviation Administration, Department of Transportation, or Department of Defense.

VII. Conditions of Employment Guidelines - For those Employees in the Employee Assistance Program Whose Seniority has been Broken

When Employee Assistance Program participants or other employees suspected of being in need of EAP services return to work, the following can be agreed upon between the bargaining unit representative, Labor Relations, the EAP team and the employee.

The specific items to be included will depend on the individual case and should be developed to meet the particular circumstances. Accordingly, items one through five may be recommended for inclusion in a condition of continued employment by the joint EAP team.

1. Participation in in-plant self-help meetings. Length of participation that will be required and frequency of meetings can be either specified in advance or left up to the discretion of the EAP team.

2. Participation in outside self-help groups and mandatory completion of an aftercare plan which might include antabuse recommended by a treatment facility and monitored by the EAP team.

3. Mandatory cooperation in follow-up and monitoring for a period of time specified by EAP team members.

4. Periodic scheduled urine screening when it is felt this procedure could be of value in monitoring and encouraging abstinence. In cases of positive findings, the results must be confirmed by a second testing method.

5. A specific period of total non-use of alcohol or other drugs can be agreed to between the parties. The EAP team and the employee must concur with this probationary period which is defined as not less than six months nor more than two years and it must be understood by all parties that resumed use could result in termination of employment during this period.

The above items (one through five) will be administered jointly by the EAP team for those employees returning under these conditions. Any conditions of continued employment agreed to by Management, the Union and the employee are considered contractually binding and non-compliance could result in disciplinary action up to and including discharge. The employee's previous disciplinary record and action which may be taken for further misconduct will be matters reserved to the actual settlement of any grievance(s) involved and/or will be resolved between the bargaining unit representative and Labor Relations.

The seniority status of the employee must be specified as either a new hire or reinstatement of former seniority. If seniority is reinstated, all rights and privileges which would normally accrue in line with the reinstated seniority under the terms of the national or local agreement must be granted.

QUALITY NETWORK

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the course of 2000 negotiations, Rolls-Royce Allison and the International Union, UAW held extensive discussions about the subject of product quality. There is ongoing recognition on the part of both parties to the Agreement that the cornerstone of job security for all Rolls-Royce Allison employees is the production of highest quality, customer-valued products. This is reflected in the extensive efforts both parties have devoted to the subject of quality both on the national and local level, exemplified by the formation and institution of the UAW-GM jointly developed Quality Network, which the parties have determined to be applicable in its basic form to Rolls-Royce Allison, with revisions where it is mutually determined to be necessary.

The parties also discussed employees having opportunity to raise product quality concerns in the course of carrying out their required work assignments. It is recognized that such concerns require proper attention and response in the spirit of being potentially valuable contributions to product quality improvement.

During 2000 Rolls-Royce Allison-UAW negotiations, the parties recommitment themselves to the successful implementation of the Quality Network, a jointly developed quality strategy emphasizing customer satisfaction and enthusiasm, continuous quality improvement and elimination of waste in the manufacture of products and services provided serving to enhance job security for all employees.

During the terms of the 2000 Rolls-Royce Allison-UAW Agreement, the parties recognized the need to focus the Quality Network to immediately improve product quality to become "best in class" in all products and services. As a result, the parties, at the direction of the National Rolls-Royce Allison/UAW Quality Council, restructured the process and implemented, or are in the process of implementing the following:

- An Rolls-Royce Allison/UAW Quality Council co-chaired by the President of Rolls-Royce Allison and the Vice President and Director of the UAW Aerospace Department or his designee was established. The Quality Council membership includes the Rolls-Royce Allison Operating Committee and designated UAW Leadership. The Rolls-Royce Allison/UAW Quality Council will meet as often as mutually determined by the co-chairmen. The Rolls-Royce Allison/UAW Quality Council, in addition to providing direction and support for

Quality Network activities, will review Rolls-Royce Allison-wide new management quality or productivity improvement programs potentially involving UAW represented employees. This review will provide the UAW with opportunity to comment on management's plans and to discuss the Union's support and involvement. It is Management's desire to implement all such quality improvement processes cooperatively with UAW leadership at all levels.

Similar reviews and opportunities for involvement in Management quality or productivity improvement programs involving UAW represented employees will be provided at appropriate Rolls-Royce Allison Key 4 meetings. This review will assure the UAW opportunity to comment on management's plans and to discuss the Union's support and involvement.

- such new quality or productivity improvement programs implemented which potentially have company-wide application will be forwarded to the Rolls-Royce Allison/UAW Quality Council co-chairs for review and approval at the next scheduled Quality Council meeting. If approved as a Company-wide program, training and/or instructional materials will be evaluated and finalized by such co-directors for inclusion in the UAW/Rolls-Royce Allison Quality Network training materials.

In order to provide for meaningful discussions, regular meetings as set forth below will be scheduled by the Quality Council co-chairs at the Local Quality Council consistent with the direction provided by the Rolls-Royce Allison/UAW Quality Council. Attendance by both co-chairs is required in order to maintain organizational focus on continuous quality improvement and on-going communications.

- The Rolls-Royce Allison/UAW Quality Council will determine the appropriate composition of the Local Quality Council so as to provide opportunities for interaction and exchange between Rolls-Royce Allison and UAW leadership around the issues governed by the Quality Network.*
- The Local Quality Council will meet a minimum of four times per year. The Rolls-Royce Allison Executive Vice President of Business Operations, along with the assigned UAW International Servicing Representative from the Aerospace Department will co-chair these scheduled meetings. The co-chairs will determine the membership for such Quality Council meetings.*
- The Operations Quality Council will meet a minimum of once per month and shall consist of the following: President of the Local Union, Shop Committee Chairperson and members of the Shop Committee, UAW Regional Servicing Representative, Vice President of Operations, Director of Human Resources, Vice President of Quality and other appropriate Management Representatives, the UAW Joint Activities Representative, and UAW representative performing the UAW Quality Network functions, who has been appointed by the Vice President and Director of the UAW Aerospace Department. Management representatives will be assigned and have authority to perform the required management Quality Network representatives. It is recognized that the duties of the person performing Quality Network*

Representative functions are to assist in the implementation of the Quality Network process and related action strategies as directed by the Operations Quality Council. Additionally, the Quality Network Representatives will support the principle that all employees have a responsibility for product quality by exercising due care and diligence in performing their duties.

- Minutes of all meetings will be taken and distributed to members of the Quality Council.
- Quality Network Representative Workshops may be scheduled during the term of this Agreement as determined by the Vice President and Director of the UAW-Aerospace Department and the Vice President of Human Resources.
- The Operations Quality Council will implement a process for employees to voice their product quality concern(s), independent of the grievance procedure, for timely resolution of such concerns based on the following:
 - Employee/supervisor discussion to attempt to resolve concern, consulting as required with plant quality resources.
 - If unresolved, the District Committeeperson, if requested, will assist in the resolution of the employee's concern.
 - The supervisor and/or District Committeeperson may request the assistance of the Quality Network Representatives to participate in the resolution of the concern.
 - Thereafter, if unresolved, the concern will be discussed with the Operations Quality Council at the next meeting. If unresolved, either Operations Quality Council Co-chair will request the issue to be referred to the Co-chairs of Rolls-Royce Allison/UAW Quality Council, for discussion.
 - The Quality Network Representatives will advise the Operations Quality Council on the status of quality concerns referred to them. Feedback regarding the status of the employee concern will be provided to the originating supervisor and the employee on a regular basis by the plant Quality Network representatives until the concern is resolved.
- The Quality Network Representatives will receive appropriate training necessary to effectively perform the above duties. Each Quality Network Representative will be provided opportunity to attend appropriate personal skill enhancement training sessions. Guidelines for such training and method of delivery will be established and communicated to Quality Network representatives.
- During overtime hours, such Quality Network Representatives will be scheduled to perform Quality Network related activities if they would otherwise have work available in their equalization group.

- Any issues related to the foregoing may be referred to the co-directors for the Rolls-Royce Allison/UAW- Quality Council for resolution, including unresolved Quality Council concerns requiring cross-organization involvement.

Finally, during these negotiations the parties discussed the necessity that all Rolls-Royce Allison employees must take individual responsibility for product quality. Management will provide employees with the appropriate training, methods and systems, materials, and equipment in an appropriate environment to perform their work. It is then incumbent upon employees to exercise diligence and properly perform their work to produce the highest customer-valued products. It is only through personal commitment from every Rolls-Royce Allison employee to provide the highest quality customer-valued products that we will satisfy our customers and maintain job security for all.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Doc. 41,46,119]

PRODUCT QUALITY

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Acrospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the 2000 Negotiations, the Union expressed a desire for UAW members who have contributed significantly to improved product quality to be permitted to display on completed assembled engines and packaging and shipping containers a joint label or decal certifying that the product is proudly built by Rolls-Royce Allison workers who are members of the UAW. During 2000 Negotiations, the Company agreed to continue this approach to employee recognition.

During these negotiations, the Company informed the Union that Management will fully implement a jointly developed suggestion program based upon the Quality Network principles within six (6) months of the effective date of this agreement. The parties recognize the necessity for joint leadership involvement at the plant and staff level in order to achieve this commitment and to gain the support and confidence from employees to submit their ideas. The purpose of the suggestion plan is to provide employee recognition, and encourage continuous improvement, thereby enhancing long term job security. It is not the purpose of the suggestion plan to reduce employment levels.

The Rolls-Royce Allison/UAW Quality Council will review the Planned Maintenance Action Strategy and determine an implementation strategy for Rolls-Royce Allison within the first six (6) months following ratification of the 2000 Rolls-Royce Allison/UAW National Agreement. The purpose of planned maintenance is to improve safety, quality, throughput and reduce cost thereby enhancing overall job security. The parties further agreed that the Rolls-Royce Allison/UAW Quality Council will continually measure and guide progress toward full implementation during the life of this agreement.

During the term of the 2000 Rolls-Royce Allison-UAW Agreement, the parties discussed the desire of the UAW representatives to provide an opportunity to input into Company marketing campaigns. It is the Company's intent to provide opportunities for such input in the future as a part of the Rolls-Royce Allison/UAW Quality Council process.

Further, the parties discussed at length the importance of Rolls-Royce Allison advertising campaigns involving or depicting UAW represented Rolls-Royce Allison employees, the positive impact the message of such campaigns can have on our employees and customers. The Company

informed the Union that a mutually agreed to process would be developed to provide opportunity for UAW representatives to preview for input purposes such future Rolls-Royce Allison advertising campaigns involving or depicting UAW represented Rolls-Royce Allison employees.

The parties recognize the benefits of providing the Union the opportunity for input to the development and implementation of sales promotion activities, providing for joint participation by bargaining unit and salaried employees. Management informed the Union that a process would be developed to insure UAW representatives input to such programs in the future. Similar local initiatives will be discussed by the Operations Quality Council.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Doc. 40.119]

SUPPLIER CORPORATE CITIZENSHIP

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Mr. Gettelfinger:

During these negotiations, the UAW stated its interest in having the Company continue to recognize the importance of using suppliers which are good corporate citizens and which can be relied upon for quality products and reliable delivery. The UAW further pointed out that the Company's selection of and relationship with suppliers have a significant bearing on its relationship with the Union. In this regard, the Union stressed repeatedly, with respect to work which cannot be produced in-house, the importance of increasing significantly the Company's use of high quality, reliable suppliers which maintain good, fair and equitable relations with their employees.

Rolls-Royce Allison fully understands the Union's concerns in these matters, because quality products, uninterrupted delivery and good corporate citizenship -- by the Company and its suppliers -- contribute significantly to the Company's success in the marketplace, and all of these factors have a direct bearing on the job and income security of UAW members.

Rolls-Royce Allison agrees that its relationship with the Union is of paramount importance to the Company's long-term success. The Company has told its suppliers and the business community in the past of the positive aspects of its relationship with the UAW and will continue to do so in the future. Rolls-Royce Allison, therefore, has no interest in embarking on a purchasing strategy that would detract from that relationship.

Correspondingly, the Union has, from time to time, expressed to the Corporation its concern about certain aspects of the Company's relationship with particular suppliers in the area of quality, continuity of supply, and overall performance as a supplier including the maintenance of good relations by the supplier with its employees. The Union recognizes that the Company has expressed its views and made suggestions to its suppliers as a result of the Union's concerns, all within the bounds of applicable legal principles.

The parties recognize that instances in which these matters arise are inherently dependent upon the particular facts that are present in each situation and plan to continue to deal with these matters on a case-by-case basis as they have in the past, and in compliance with applicable laws.

In particular, the Company will continue to urge its suppliers to treat their employees in a good, fair and equitable manner and to avoid conduct which violates national or state labor and employment laws. In addition, the Company will, in a manner which is in compliance with applicable laws, notify suppliers of the importance the Company places on harmonious relationships between suppliers, their employees and any union that may represent them.

Very truly yours,

Reeder Singler
Director, Human Resources

CAREER DEVELOPMENT PROGRAM

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

The UAW and Rolls-Royce Allison recognize the need for a focused career development process for active employees as a key element in competitiveness and employment security. The career development process must address both internal career needs of individual employees and critical skill needs of the company. A focused approach beginning early in each employee's career could provide the employee with the skills and knowledge required by changing business conditions.

The parties have, therefore, agreed to the following:

1. Voluntary individual employee assessments to determine interests, abilities and career development needs which may be met internally through a broader variety of on-the-job training, classroom technical training, training in basic computational skills and reading and writing, classroom training leading to a special certification, associate or baccalaureate degree.
2. An internal career development process for hourly employees which may provide for broad job experience.
3. Cooperation with community college, college, university and other educational and training facilities in the community in the development of career focused classroom and cooperative training programs for active workers.
4. In the event that it should ever become necessary in the future, the parties may explore the development of career focused classroom and cooperative work programs for dislocated workers which would lead to comparable employment.

This program will be supported by a combination of joint training funds and will be administered jointly by the Executive Board for Joint Activities and the Local Joint Training Committee.

Very truly yours,

Reeder Singler
Director, Human Resources

**EXPEDITIOUS GRIEVANCE HANDLING -
ROLLS-ROYCE ALLISON TO UAW**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

"During negotiations, Rolls-Royce Allison and the International Union discussed at length problems encountered in the administration of the Grievance Procedure at some locations. The parties reaffirmed their mutual determination that the purpose of the Agreement as stated in Paragraph (5) is 'to provide orderly collective bargaining relations between the Company and the Union, to secure a prompt and fair disposition of grievances, to eliminate interruptions of work and interference with the efficient operation of the Company's business.' In addition, the Union and the Company agreed that the delaying or holding of grievances at any step of the Grievance Procedure was contrary to the best interests of the employees and the parties.

"The parties reaffirmed their mutual desire and intention to assure that grievances will not be allowed to accumulate at any step or steps in the Grievance Procedure in any plant.

"The Company asserted that Paragraph (35) together with the other relevant provisions of the Grievance Procedure if closely administered make it impossible for committeemen unilaterally to stall any grievance from consideration or decision at the next step of the Grievance Procedure and to delay the processing of grievances in the procedure. The Company stated further that the current language provides Management with the right after a lapse of a reasonable time to initiate answers to grievances in order to prevent them from being delayed at any step in the Grievance Procedure."

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (19).(79)]

[See Doc. 45,48,95]

**EXPEDITIOUS GRIEVANCE HANDLING -
UAW - ROLLS-ROYCE ALLISON**

**UAW INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE &
AGRICULTURAL IMPLEMENT WORKERS OF AMERICA**

December 16, 1996

Mr. Barry D. Smith
Vice President
Allison Engine Company
P. O. Box 420
Indianapolis, Indiana 46206-0420

Dear Mr. Smith:

During the current negotiations the International Union, UAW, informed the Allison Engine Company that Leonard Woodcock's letter of December 14, 1967 regarding expeditious grievance handling was again being published as a position of the International Union, UAW. The text of that letter is as follows:

"During negotiations, Allison complained that at certain locations some Committeemen made little or no effort to resolve grievances they have written or to process them from one step of the procedure to the next in an expeditious manner. The Union pointed out to the Company that grievances accumulate under the circumstances complained of in some instances because the Management takes no independent action to answer grievances or to move them from one step of the procedure to the next.

"The International Union advised the Company that it fully subscribes to the principle set forth in Paragraph (19) that '...the prompt adjustment of grievances is desirable in the interest of sound relations between the employees and the Management.'

"Grievances should not be unduly delayed at any step of the procedure, whether such delay is occasioned by a Committeeman or his supervisor refusing or failing to meet his responsibility.

Very truly yours,

/S/ LEONARD WOODCOCK
Vice President Director General Motors Department"

{See Par. (5),(34),(79)}

{See Doc. 44,48,95}

JOINT PROGRAM REPRESENTATIVES

ROLLS-ROYCE ALLISON

February 26, 2000

Mr. Ron Gettelfinger,
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations the parties discussed at length the need to focus our current joint program representatives on specific programs designed to assist our employees and the management in implementation of an improved working environment.

Over the years, we have agreed to a number of different joint program representatives appointed by the Vice President and Director of the Aerospace Department, UAW, and, in some cases, by the local management and union leadership at the direction of the Co-Chairman, Executive Board Joint Activities to carry out and administer certain negotiated agreement programs in the following functions:

- Health and Safety
- Joint Activities
- Accommodating Dis/Abled People in Transition (ADAPT)
- Employee Assistance Program
- Human Resource Development
- Joint Training
- Quality Network

Rolls-Royce Allison, depending on employee population, may have employees assigned to the above functions. Each time new programs have been negotiated, people were assigned to perform the tasks associated with each program to the extent that we now have several well-trained experts in those fields. The parties recognize that over the years priorities have shifted and, as a result, there is a need to carefully analyze the programs that currently require increased emphasis, such as, employee assistance, health and safety, etc. As a result, the parties have concluded that these well-trained resources can now be deployed or reassigned to programs requiring special attention.

It is recognized that each plant location has its own unique culture and needs; therefore, the local joint leadership group (Vice-President of Operations, Director of Human Resources, Local Union President and Chairperson of the Shop Committee) will determine where their current full time representatives will be allocated to best serve the employees of the organization. It is recognized that at some locations additional representatives may be required to perform tasks associated with the newly determined local focus and at others less. In any event, the total number of new and current full time joint program representatives shall not exceed the number provided for below:

Plant Population	Number of Representatives
Up to 200	1
201 to 400	2
401 to 600	3
601 to 1,000	4
1,001 to 5,000	Ratio of 1:250

In the case of bargaining units between 1,001 to 5,000 and 5,001 and above, the number of representatives in a given bargaining unit will be determined by the number of represented employees (active, temporary layoff and Protected) divided by the appropriate ratio number. Where the fraction of the result is .5 and above, the number will be rounded up to the next highest whole number and where the fraction is less than .5, rounded down to the whole number.

Nothing in this agreement limits or is intended to interfere with any local mutually agreed upon projects or initiatives falling outside the scope of this document that may provide additional staff resources to meet the specific objectives of the local parties.

The local parties will review their plan for deployment of these resources in accordance with specific guidelines issued by the National parties. All such representatives will be appointed by the Vice President and Director of the Aerospace Department, UAW. Such plan will include the names and assignments for each of the local representatives assigned to Joint Programs and will be forwarded to the National parties for approval prior to implementation. Likewise, as individual plant needs and priorities change, the local parties are afforded the flexibility to submit revised plans for National approval.

When plant population changes occur which would increase or decrease the number of representatives, such population changes must be in effect for a period of six consecutive months before such adjustment is made in the number of representatives, in which case such adjustment will be made at the conclusion of the six month period. In the event such population change results from the discontinuance or addition of a shift, the opening of a plant, or the cessation of a plant's operations, the adjustment in the number of representatives will be made within the first twenty working days following the first day such population change occurs. Other situations involving a sudden significant change in the number of employees at a location may be discussed by the Company and the Aerospace Department of the International Union.

When a reduction or increase in plant population calls for a change in the number of representatives, the local parties will be required to submit a revised deployment of resources plan for approval. All representatives in either case will also be appointed by the Vice President and Director of the Aerospace Department, UAW.

It is understood that the Representatives re-deployed in these locally determined areas of special focus and attention may require additional training. It is agreed that such training will be provided through sources mutually selected by the parties -subject to the approval of the Executive Board Joint Activities.

It is agreed that such representatives shall function in accordance with governing provisions of the Rolls-Royce Allison-UAW National Agreement germane to their area of focus.

During overtime hours, joint program representatives in the areas of Joint Activities, Accommodating Dis/Abled People in Transition (ADAPT), Human Resource Development, and Joint Training will be scheduled to perform joint program-related activities if they would otherwise have work available in their equalization group.

Longer range, the Executive Board Joint Activities will establish a joint process aimed at effectively consolidating, simplifying, integrating, focusing and achieving better utilization of joint programs at the plant level.

The spirit and intent of this document is to provide increased focus on joint employee programs and to more fully utilize the experience and talents of the representatives assigned to joint programs. The parties are committed to working together in a spirit of cooperation to improve our relationship and the effectiveness of our joint programs. The result of such cooperation will improve the working environment in our plants for all Allison employees.

Any problems relating to the implementation of this document may be raised by either party and it is understood that any necessary modifications may be made by mutual agreement between the Company and the International Union.

Very truly yours,

Reeder Singler
Director, Human Resources

[See Par. (19e)]

[See Memo-Joint Activities]

[See Memo-Training; Par. 77]

[See Memo-Human Resource Development]

[See Doc. 1,39,40,105]

[See Par. (23)]

PARAGRAPH 76 - TEMPORARY EMPLOYEES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During current negotiations, the parties clarified their interpretation regarding Paragraph (76) expressed in the following letter:

"As a result of a series of discussions between the International Union, UAW, and the Company, it has been agreed that the provisions of Paragraph (76) of the Rolls-Royce Allison-UAW Agreement will be applicable to temporary employees with more than forty-five (45) days' of employment who are released or discharged. This provision, of course, is not applicable to any employee laid off due to fluctuations in manpower requirements.

"The parties also agreed that this interpretation is not retroactive. Accordingly, cases currently in the procedure involving temporary employees should be processed on their merits without regard to the procedural requirements of Paragraph (76)."

Very truly yours,

Reeder Singler
Director, Human Resources

ARBITRATION LETTER

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the course of the current negotiations, the parties reviewed the Grievance Procedure provisions of the Agreement for the purpose of identifying certain problems that have been encountered under those provisions in processing grievances to arbitration. Generally, it was recognized that the procedure, as currently constituted, has worked well. The Union stated that some instances have occurred wherein grievances protesting an employee's loss of seniority, discharge or a series of disciplinary layoffs leading to a discharge, have met with delay in the procedure following their consideration at the Third Step and their resolution at the Umpire Step.

In view of the above, the Company agreed to provide the Union with a monthly summary of appeal cases open on the Umpire's docket protesting the loss of seniority, the discharge of employees and also those protesting progressive disciplinary actions which involve an employee whose discharge is also under protest in an open appeal case. This information will enable both the International Union and Company Umpire Staffs to monitor the number of such cases on appeal to the Umpire at any given time and to take remedial action on any particular cases which may be subject to undue delay.

The parties further agreed that in the event the Company and the Union could not agree upon an impartial umpire to hear a case, the parties will request a panel of five (5) umpires from the Federal Mediation and Conciliation Service. The parties will strike alternatively from the agreed upon panel with the final remaining umpire selected to serve as the impartial umpire to hear that case. The cost of the umpire will be shared equally by the Company and the Local Union.

In addition, the parties agreed to schedule regular meetings between the respective Umpire Staffs to establish future scheduling, to explore alternatives that could increase the frequency with which plant appeal cases are addressed and to review other problems of mutual concern.

Very truly yours,

Reeder Singler
Director, Human Resources
{See Par. (5),(19),(43)}
[See Doc. 44,45]

MANAGEMENT REPRESENTATIVES IN
DISCIPLINARY INTERVIEW

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the parties discussed the Union's concern over the number of Management representatives present during some disciplinary interviews. The Union recognized that there are times when more than the customary number of Management representatives may be required because of their knowledge of the matter under discussion. The Union stated, however, that their concern was directed at other Management representatives who attended interviews solely as witnesses to the interview itself.

As a result of these discussions, the Company advised the Union that, as a matter of policy, Management personnel beyond those referred to above would not attend such interviews solely for the purpose of serving as potential witnesses to the interview itself. Additionally, should Management representatives in excess of the customary number be present in the interview, the district committeeperson may request, during that period of time, the presence of the zone committeeperson for that zone, or in the event that the zone committeeperson is absent or no at-large committeeperson is assigned to that zone, another member of the shop committee present in the plant, provided the request would not result in undue delay of the disciplinary interview.

Very truly yours,

Reeder Singler
Director, Human Resources
{See Par. (76a)}

HOLIDAY PAY AND DISCIPLINARY LAYOFFS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the parties discussed the situation where the duration of an impending disciplinary layoff would encompass or abut a specified holiday.

To insure uniformity in the administration of discipline in such situations, the Company advised the Union that, as a matter of policy, loss of holiday pay will not be included as part of the disciplinary penalty assessed.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (76),(203)]

**UAW-ROLLS-ROYCE ALLISON COLLECTIVE BARGAINING AGREEMENT
TRAINING**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Mr. Gettelfinger:

During these negotiations, the parties discussed training of representatives responsible for administration of the Collective Bargaining Agreement (Agreement) and related understandings. Both parties recognize the benefits that can be achieved when Company and Union representatives are knowledgeable concerning the administration of the collective bargaining process and how that affects their respective roles and responsibilities.

Following ratification of the 2000 Agreement the Company and appropriate representatives of the UAW Aerospace Department will coordinate the development of a training program which will address the administration of the collective bargaining process at Rolls-Royce Allison utilizing a variety of external or UAW/GM developed resources. Candidates for participation in the training may include Operations Managers and supervisors whose responsibilities include administering the collective bargaining relationship at Rolls-Royce Allison, as well as elected and appointed Union representatives, and Human Resources personnel. Participants in this training will be designated by the Company and the International Union.

Funding for this training, including development costs (if any), travel, lodging and wages of participants, shall come from the existing Joint Training funds. The Grievance Procedure has no application to, or jurisdiction over, any matter relating to this training program.

Very truly yours,

Reeder Singler
Director, Human Resources

REINSTATEMENT OF GRIEVANCES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current National negotiations, the parties acknowledged the desirability of ensuring prompt, fair and final resolution of employee grievances. The parties also recognized that the maintenance of a stable, effective and dependable grievance procedure is necessary to implement the foregoing principle to which they both subscribe. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the grievance procedure was established and violative of the fundamental principles of collective bargaining.

However, in those instances where the International Union, UAW, by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee has reviewed the disposition of a grievance and found that such disposition was improperly effected by the Union or a Union representative involved, the International Union may inform the Company's Labor Relations Staff in writing that such grievance is reinstated in the Grievance Procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the Company will not be liable for any claims for damages, including back pay claims, arising out of the grievance that either are already barred under the provisions of the Agreement at the time of the reinstatement of the grievance or that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against the Company in the Grievance Procedure, or in any court or before any Federal, State, or municipal agency.

Notwithstanding the foregoing, a decision of the Impartial Umpire or any other arbitrator on any grievance shall continue to be final and binding on the Union and its members, the employee or employees involved and the Company and such grievance shall not be subject to reinstatement.

This letter is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the Agreement, except as specifically limited herein, and does not

affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by the Impartial Umpire or other grievance resolutions.

It is understood this letter and the parties obligations to reinstate grievances as provided herein can be terminated by either party upon thirty (30) days notice in writing to the other.

It is agreed that none of the above provisions will be applicable to any case settled prior to December 13, 1976.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (38),(53),(79i)]

**FURNISHING WORK ELEMENTS -
STANDARDS CASES**

Inter-Organization

DATE: February 26, 2000

SUBJECT: Furnishing Work Elements -
Standards Cases

TO: All General Managers
All Human Resource Directors

During current negotiations, Rolls-Royce Allison informed the International Union, UAW that it was its intention to republish the Company's letter concerning Furnishing Work Elements - Standards Cases. The text of that letter is as follows:

"During past negotiations the parties discussed at length the Union's charges that there were occasions when the work elements of a job requested by the Committeeman pursuant to Paragraph (79) were not furnished in a timely manner.

"The Company and the Union have reaffirmed their mutual determination to adhere to the spirit and intent of Paragraph (79). In addition, there is agreement that in nearly all cases a more expeditious settlement of grievances can be reached when there is prompt and full exchange of pertinent information. In this regard the text of Paragraph (79) of the Allison-UAW Agreement provides that the work elements of a job in dispute will be furnished 'without undue delay.' It is recognized by the Union that there will be occasions when due to production acceleration, volume of production standards grievances filed, etc., the information requested by the Committeeman cannot be furnished as promptly as under normal circumstances.

"We have advised the Union that the words 'without undue delay' mean as soon as reasonably possible under circumstances existing at the time the request is made for the work elements of the job."

Reeder Singler
Director, Human Resources

POW/MIA Flags

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the Union requested that Allison facilities fly POW/MIA flags. As discussed, flying of flags at Rolls-Royce Allison locations is a matter of Company policy.

In view of the special sensitivity associated with Vietnam era MIA and POW issues, the Company indicated a willingness to consider exceptions to its normal policy on flags when so requested by a Local Union. These exceptions may include: individual special requests, special days recognized by the U. S. government to honor or remember POWs or MIAs, or other appropriate holidays such as Memorial Day and Veterans Day.

It is understood that this matter is one of Company policy and if revisions to the policy are made, the Union will be notified.

Very truly yours,

Reeder Singler
Director, Human Resources

IMPLEMENTATION OF PRODUCTION STANDARDS SETTLEMENTS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During current negotiations, Rolls-Royce Allison and the International Union, UAW have reaffirmed the informal procedure dealing with the implementation of production standards settlements as outlined in the text of the following letter:

"In the course of current negotiations the Union has alleged that in some cases the solution agreed upon in settlement of production standards grievances was not implemented in a timely fashion. The Union has also alleged that in certain cases settlements agreed upon were violated.

"In the course of these negotiations we have reaffirmed our mutual determination to avoid misunderstandings in this area in the future. In that connection, we have adopted the following informal procedure for use in cases in which it is alleged that a settlement of a work standards grievance, reached during negotiations in which a member of the International UAW Staff and a representative of the Company Labor Relations Staff participated, has not been implemented in a timely manner, or that after implementation the settlement has been violated:

- "1. The complaint may be reviewed by the Chairperson of the Shop Committee and Director of Human Resources.
- "2. If not resolved, the Chairperson may submit his statement of the case in writing to the Director of Human Resources spelling out the details of the complaint.
- "3. The Director of Human Resources shall submit a written reply within one (1) working day of receipt of the written statement.
- "4. If the matter is not resolved within three (3) working days after the Human Resource Director's written reply, the Chairperson of the Shop Committee may submit a written report of the disputed case to the International UAW.

- "5. If these parties are unable to resolve the dispute, it may then be reviewed by the International UAW with the Rolls-Royce Allison Labor Relations Staff where it will be resolved.

"This letter and this procedure are not intended to prejudice any contractual position either Rolls-Royce Allison or the UAW may take in any case arising under the Agreement."

It was agreed between the parties as a result of current negotiations that similar complaints regarding work standards grievance settlements that are resolved without the assistance of Company personnel may also be processed under this informal procedure.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (79).(79k)]

RELIEF TIME--CERTAIN OPERATIONS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

The relief time in Allison Engine Company plants shall be twelve (12) minutes before lunch and twelve (12) minutes after lunch on a regular eight (8) hour shift, making a total of twenty-four (24) minutes. This will not affect relief allowance now in effect on certain specific operations due to environmental job conditions. The amount of such relief shall be modified accordingly for a shift other than a regular eight (8) hour shift. The Plant Management may, by mutual agreement with the Local Union, allocate the relief before and after lunch to not more than two (2) periods before lunch and two (2) periods after lunch.

Sufficient labor will be provided to enable employees to obtain the above relief taking into consideration that the first hour at the start of the shift and the first one-half hour after lunch are not ordinarily required for relief except in emergencies.

The parties have agreed to continue the following informal procedure to address complaints regarding this subject.

1. The complaint may be raised by the Chairperson of the Shop Committee directly with the Director of Human Resources.
2. If not resolved, the Chairperson may refer the problem to a representative of the Aerospace Department of the International Union who may request a meeting with a representative of the Company's Labor Relations Department to discuss the complaint and take appropriate action.

This letter and this informal procedure are not intended to prejudice the position of either Rolls-Royce Allison or the UAW.

Very truly yours,

Reeder Singler
Director, Human Resources

QUALITY NETWORK IMPLEMENTATION REDEPLOYMENT AND MEANINGFUL WORK

During the term of the 1990 GM-UAW National Agreement and through the direction of the North American Operations (NAO) UAW-GM Quality Council, the focus of the Quality Network evolved and changed from development to implementation. During this same period, GM North American Operations experienced operating losses requiring more efficient practices and a renewed focus on product quality.

Implementation of Synchronous Workshops, Accelerated Workshops (i.e., PICOS), Lean Manufacturing and other quality improvement activities, such as, best practices, resulted in health and safety, ergonomic, and operational improvements affecting quality and the cost of GM products and services. In many cases, these activities resulted in UAW-represented GM employees being placed in a JOBS Bank under the terms of the 1990 GM-UAW National Agreement. The Union leadership felt they could not be party to asking their members to assist in "working themselves out of a job" by supporting these efforts. In any joint effort, job security and "people issues" had to be considered so that people would be redeployed to meaningful work. The issue was discussed at the January 13, 1992, GM Quality Council meeting resulting in specific commitments to integrate synchronous efforts into the joint Quality Network Process and explore ways to employ people more effectively with meaningful work and help improve the business.

When funding for the JOBS Bank was exhausted and the program discontinued, Management recognized that employee support and involvement in plant quality and productivity improvement activities were essential. As a result, on March 2, 1993, after the JOBS funding was exhausted and employees in the JOBS Bank were laid off (although no Allison employees were so impacted), an "Employment Policy" was made effective which resulted in employees being retained at work and not laid off when such employees were impacted by jointly initiated product quality and operational effectiveness improvement efforts.

During the 1993 negotiations, General Motors and the UAW discussed the above events and the Union provided examples of successful redeployment processes. These redeployment processes, implemented at divisions and plants, resulted in people being retained at work and redeployed to meaningful assignments after they had been made available as a result of quality and productivity improvements and other initiatives.

Following 1993 negotiations, General Motors and the UAW agreed to jointly develop guidelines for redeployment processes, similar to those reviewed by the parties, to assist plant and staff relations with planning for redeployment opportunities. Such guidelines were intended to assist local parties with the development of plans that put first emphasis on redeployment of employees to meaningful assignments, which included regular productive assignments and "non-traditional" work, as well as efforts to competitively retain or insource new work.

Accordingly during these negotiations, Rolls-Royce Allison and the UAW stated their intent to not place employees in underutilized or unproductive assignments or only contemplate utilization of the job security provisions of the National Agreement. Further, the parties agreed to review the UAW/GM developed document "Guidelines for Redeployment and Meaningful Work" (QN#2251) and evaluate its applicability to Rolls-Royce Allison in developing redeployment plans.

**SUBCONTRACTING--IMPLEMENTATION
PARAGRAPH (183)(d)**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations the UAW complained that procedures set forth in Paragraph (183)(d) are not being satisfactorily implemented by Management in many instances.

This letter is intended to clarify the intent and purpose of this provision:

1. The "advance discussion" except where time and circumstances prevent it, will take place "prior to letting the contract for the performance of maintenance and construction work," before any decision has been made as to whether the work should be contracted out. The "advance discussion" will include information as to "why Management is contemplating contracting out the work." It is evident that except as noted above, since Management is only "contemplating contracting out the work" when the "advance discussion" takes place, Management should not have made any decisions concerning whether or not to contract out the work before such "advance discussion" is held.
2. Management should advise the local Union of the "nature, scope and approximate dates of the work to be performed and the reason or reasons (equipment, manpower etc.), why Management is contemplating contracting out the work.". The conditions of "manpower, skills, equipment and facilities" and also as to whether the Company "can do the work competitively in quality, cost and performance and within the projected time limits may be entailed in the determination as to whether a particular contract should be let out or not, it is necessary that Management advise the local Union in the "advance discussion" concerning the item or items which are relevant to the decision-making.

3. If in the "advance discussion" it is clear that Management is only "contemplating contracting out the work" and if in addition all the pertinent information as noted above is supplied to the local Union, then local Union representatives will be given a better opportunity "to comment on Management's plans" and will also give an opportunity to Management "to give appropriate weight to those comments in the light of all attendant circumstances."

In addition the Union complained that in certain instances plant Management requested and contracted for maintenance service on leased equipment, and extended warranty arrangements or service contracts were being purchased which impacted the job security of seniority employees in skilled trades classifications. Management stated that, while Paragraph (183)(b) covers the "fulfillment of normal warranty obligations by the vendor", warranty arrangements that extend beyond those customarily provided or the obtaining of service contracts are not covered by these provisions. Rather, such arrangements or service contracts covering work normally and historically performed by represented skilled trades employees are to be considered in the same manner as contracts for the performance of maintenance work and such decisions are covered by the provisions of Paragraph (183)(c) of the Agreement.

Very truly yours,

Reeder Singler
Director, Human Resources
{See Par. (42a)}
{See Documents 9 and 59}

February 26, 2000

Coordination of Sourcing Evaluations

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations, the National Parties had extensive discussions regarding the implementation of Document 2. In this regard, it was recognized that effective implementation is dependent in large part on the efforts of the local parties.

Both parties to this agreement acknowledge and commit that these matters should be viewed as high priority at the local level. Access to confidential information such as quote packages and pertinent financial data is essential. Therefore, in order to facilitate the sourcing evaluation process and the effective preparation of a quote response, the Manager of Employee Relations will assign coordination responsibility and authority to a designated local management representative. Such responsibilities may include identification of the appropriate management resources to respond to Union inquiries, on a timely basis, and the scheduling of meetings, as required.

Very truly yours,

Reeder Singler
Director, Human Resources

PRE-APPRENTICE TRAINING

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations the parties discussed pre-apprentice training as one method of achieving our common goal of bringing a greater number of members of minority groups and females into the apprentice training program. It is evident that we share a serious concern about the establishment of effective methods of achieving this desirable goal.

Accordingly, the Rolls-Royce Allison-UAW Skilled Trades and Apprentice Committee will consider matters pertaining to pre-apprentice training as it relates to achieving the above objective as well as approve any such training program for which points can be awarded under the Rolls-Royce Allison-UAW Apprentice Selection Procedure.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (123)(g)]

APPRENTICE COMMITTEE MEMBERS-MANAGEMENT EXPERTISE

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these Negotiations, the Union expressed concern that in some instances in other UAW represented locations the Management members of the Local Apprentice Committee did not possess sufficient skilled trades knowledge or experience to adequately discuss Apprentice Training concerns. The Company advised the union that the Rolls-Royce Allison Local Apprentice Committee has historically contained a Management member who has skilled trades experience. If a situation arises where this is not the case and a problem arises as a result, the problem may be brought to the attention of Manager of Hourly Human Resources by the Chairperson of the Shop Committee for review and correction, as necessary.

Very truly yours,

Reeder Singler
Director, Human Resources

SUBJECT: UAW-ROLLS-ROYCE ALLISON JOINT ACTIVITIES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

We have managed to find common ground on many of the issues involved in these negotiations. Nowhere has that been more evident than in our mutual treatment of issues involving education and training and other programs of joint interest to better our employees and enhance their job security by strengthening the competitive position of Rolls-Royce Allison. Our deliberations in this area are in step with congressional and private sector initiatives toward a new era of cooperative labor relations.

In this regard, cooperative labor relations with respect to the joint arena can be accomplished only when activities are jointly approved, developed, implemented, monitored, and evaluated. Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; making mutual decisions at all levels of administration which respect the concerns and interests of the parties involved; sharing responsibility for the problem solving process; and sharing the rewards of common goals.

In these negotiations, we have provided funding for our joint programs which reflect this national policy of cooperative labor relations. We should continue to ensure that the projects, programs and events which are supported in whole or in part with these joint funds do in fact keep us communicating on all levels, consistent with this objective.

We agree these funds will continue to be used to help solve mutual problems which may not be collective bargaining problems. They will continue to be used to make Rolls-Royce Allison and its employees more competitive in a global economy. In this regard, we jointly sponsor conferences, workshops, seminars and meetings to promote cooperative efforts on related subjects, and where appropriate, invite academic, professional, government, labor and industry representatives to attend and participate. In addition, we understand that while these funds are intended for education, training and development of UAW bargaining unit employees, there are situations where it will be natural for some salaried employees to receive the same training or participate in the same program. Such expenses for non-bargaining unit employees may be funded with joint funds provided the parties agree.

Further, the jointly sponsored projects, programs and activities are designed to promote public awareness of Rolls-Royce Allison products (including the quality and reliability of such products), Rolls-Royce Allison workforce and its role in producing high quality products, and the relationship between Rolls-Royce Allison and the collective bargaining representatives for Rolls-Royce Allison employees.

We also recognize that as representatives of organizations such as the UAW and Rolls-Royce Allison, which are viewed by most as key to the vibrancy of local economies where our plants are located as well as the national economy, we are expected to be responsible citizens and caring neighbors. Therefore, from time to time we have agreed to use these funds to assist the victims of disaster or the less fortunate in the communities where our employees live and work. We have also supported research projects or efforts by other training, educational or cultural institutions which will through education and exposure promote our goals of labor and management February cooperation in the workplace.

We have pledged that these joint funds will continue to be used to enhance all our employees involvement in, and appreciation for, decisions that affect their lives. We look to the UAW's continued cooperation in that regard in identifying and developing with us meaningful projects which will assist their members, and our employees, in reaching that objective.

The parties further agree that new programs and activities designed to enhance the welfare and job security of UAW-represented employees may be funded by the Rolls-Royce Allison Joint Funds, when authorized by the Company and the International Union under the provisions of the Memorandum of Understanding Joint Activities contained in the Agreement between Rolls-Royce Allison and the UAW.

Very truly yours,

Reeder Singler
Director, Human Resources

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations, the Union and the Company acknowledged that skilled trades personnel provide vital support to operations, and that there is a direct relationship between the effectiveness of skilled trades personnel and the success and viability of the operations they serve. Establishing new levels of competence within the apprenticeable trades through training and retraining will permit the Union and the Company to pursue the critical objective of continuous improvement in quality, flexibility, operational effectiveness and, in turn, enhance job security.

Consistent with these discussions, the Company continues to be committed to the development and utilization of the Rolls-Royce Allison - UAW Apprentice Program to help meet the demand for flexibility within our skilled trades ranks.

Very truly yours,

Reeder Singler
Director, Human Resources

APPRENTICE WORK ASSIGNMENTS

Inter-Organization

DATE: February 26, 2000

SUBJECT: Apprentice Work Assignments

During the current negotiations, the Union raised the question of apprentices being assigned to work alone. The parties agreed that good judgment and a rule of reason should be used when making these assignments.

As a result of these discussions it was concluded that, consistent with existing training methods and facilities in the plant, apprentices should not be assigned to perform work without a journeyman being present unless the apprentice has been trained to do the job; has been instructed in the proper safety procedures; and is considered competent to perform the assignment. Experienced journeymen will generally be available to assist the apprentice in many of the normal floor assignments until that level of competence has been reached. This will not change or restrict any mutually satisfactory local practices. Problems in this regard are a matter for review by the Rolls-Royce Allison-UAW Skilled Trades and Apprentice Committee.

Reeder Singler
Director, Human Resources

RELATED TRAINING BONUS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

This will confirm the understanding reached during the current negotiations that within a reasonable period after a laid off apprentice, Employee-In-Training or Employee-In-Training-Seniority has been recalled to work at any Rolls-Royce Allison Plant, such employee will be paid an incentive bonus in recognition of satisfactory completion of any related training courses, required pursuant to Paragraphs (145) and (180), in which the employee was enrolled at the time of layoff. In the event the employee is not recalled within a reasonable period of time, such employee may apply to the home plant for the related training bonus.

In addition, with prior Management approval and arrangements with the school, apprentices whom Management anticipates recalling to the apprentice classification prior to the expiration of the school term may be enrolled for one term and become eligible for an incentive bonus on the same basis.

This incentive bonus will amount to a figure to be arrived at by multiplying the number of class hours in each course times the employee's straight-time hourly rate less the amount, if any, paid to the employee for such related training prior to layoff.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (138),(139),(146),(180)(c)]

LAYOFFS -- APPRENTICES AND EMPLOYEES-IN-TRAINING

ROLLS-ROYCE ALLISON

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations the parties discussed at length a problem encountered at some plant locations where employees-in-training and apprentices are in training to become journeypersons in the same skilled trades classification and there is either a need for a reduction or increase in the number of such employees in a skilled trades classification.

The parties recognize the desirability of providing opportunities and training for employees through both the Rolls-Royce Allison-UAW Standard Apprentice Program and the Employee-In-Training Program consistent with the needs of the business. To preserve the continuity of the Apprentice Program, which has generally been viewed as the long run source of skilled trades personnel in the apprenticeable classifications, the parties have negotiated appropriate provisions in the Agreement to avoid unnecessary interruptions of the program. The Employee-In-Training Program is equally necessary and has been continued by the parties to supplement the journeyperson work force at times of increased work load and during shortages of skilled trades personnel. Importantly, the Employee-In-Training Program also provides opportunities for persons to upgrade their skills and provisions have been negotiated enabling employees-in-training to continue their training and achieve journeyperson status.

Employees-in-training may be reduced due to a reduction in force or displaced by a journeyperson in accordance with Paragraph (174) or by an employee-in-training-seniority in accordance with Paragraph (175). Apprentices may be reduced due to a reduction in force or displaced by journeypersons in accordance with Paragraph (138). In addition, Paragraph (139) provides that in the event of a drastic reduction in the level of work resulting in a heavy reduction in the skilled trades work force, additional apprentices may be reduced pursuant to a mutually acceptable layoff and recall plan agreed upon by the local parties. Likewise, temporary layoff situations are governed by locally negotiated provisions pursuant to Paragraph (177).

Except for those situations covered by Agreement provisions, the following procedure will apply to the reduction of employees-in-training and/or apprentices when neither journeypersons nor employees-in-training-seniority are reduced from the classification:

- Employees-in-training who have accumulated less than (2) years credited work experience in the classification in that plant will be reduced before any apprentice is reduced;
- Employees-in-training who have accumulated (2) or more years of credited work experience in the classification in that plant will not be reduced before all apprentices who have not completed (4) periods of the shop training schedule have been reduced from that classification;
- All employees-in-training in the classification will be reduced before any apprentice who has completed (4) periods of the shop training schedule is reduced.

The completion of (4) periods of the shop training schedule for apprentices and the credited work experience in the classification in that plant for employees-in-training for purposes of this procedure shall be based on a calculation made as of the last Monday of the month preceding the month during which such a reduction occurs.

Similar consideration is to occur when there is a need to recall a number of employees to a classification where there are both employees-in-training and apprentices reduced from the classification.

Any complaints regarding the application of this procedure in any plant may be taken up with Local Management of that plant by the Local Shop Committee and if not resolved may be reviewed by the appropriate section of the International Union with the Company.

Very truly yours,

Reeder Singler
Director, Human Resources
{See Par. (122),(135),(161),(175)}

ADMINISTRATION OF PARAGRAPH (178)

Inter-Organization

Date: February 26, 2000

Subject: Administration of Paragraph (178)

During the current negotiations the Union complained about improper administration of Paragraph (178) by local management.

These complaints centered around the hiring of skilled trades employees as journeypersons without sufficient checking by local Management of the documents presented by the applicants to assure they qualify for such status in accordance with the provisions of Paragraph (178). They also complained that in some instances Management shifted the blame to the Union when such an employee had to be released because, upon further investigation, the information upon which Management relied to hire the individual did not meet the criteria of Paragraph (178).

In response to these complaints, the Company stated it would provide such documentation to the Local Joint Skilled Trades and Apprentice Committee and the matter will be thoroughly investigated before an employee is hired. In this regard, it was observed that establishment of such proof of status is often expedited when the applicant is a laid off bona fide UAW journeyperson. Additionally, the Company assured the Union that any explanation concerning the reasons a newly hired journeyperson employee must be terminated because of failure to meet the requirements of Paragraph (178) is to be based on those factual reasons and not on the fact that the Local Union may have questioned the matter.

The parties mutually agreed that both the local Management and the local Union must exercise fair but sound judgment when considering matters relative to Paragraph (178).

Very truly yours,

Reeder Singler
Director, Human Resources

**TRANSFERS AND PROMOTIONS -- LOCAL
SUSPENSION OF PROVISIONS**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During current negotiations, Rolls-Royce Allison and the International Union, UAW discussed the problem of the movement of people through transfers and promotions during critical periods in plant operations.

Accordingly, this letter is to confirm the agreement reached that the local parties are delegated the authority to mutually agree on the suspension of the application of the Agreement and local agreement provisions relating to transfers and promotions, all or in part, during periods of model buildout, model startup, plant rearrangement, major line speed change, product change, addition or elimination of a shift, or other mutually recognized problem period. Further, such local agreements shall be reduced to writing and signed by the local parties.

Very truly yours,

Reeder Singler
Director, Human Resources
{See Par. (59),(63)}

FEDERAL INCOME TAX WITHHOLDING

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

This will describe the methods to be used by the Rolls-Royce Allison Payroll Department in regard to withholding of Federal income tax from employee's wages attributable to grievance awards, vacation pay and pay in lieu of vacation from employee's wages.

Grievance awards in excess of \$500.00, but involving periods less than one calendar year, will be treated as supplemental wages and income tax withholding will be calculated using the Federal income tax regulations regarding supplemental earnings.

Likewise, pay in lieu of vacation also will be treated as supplemental wages and income tax withholding will be withheld using the Federal income tax regulations regarding supplemental earnings.

It should be noted that the tax withholding referenced above only covers the Federal withholding amount. An amount for FICA taxes and state or local income taxes, where applicable, will be in addition to the amount withheld for Federal income tax.

Grievance awards which are less than \$500.00 will be aggregated with the regular payroll and the income tax withholding will be calculated on the total amount.

If a grievance award is made for a period of more than one calendar year, the income tax withholding will be calculated as if the payment were for a single annual period. Thus, in such situations, Rolls-Royce Allison Payroll will use the annual percentage table to calculate the income tax withholding for such awards. This method would be the same as considering the award as having been paid equally over the preceding 52 weeks.

For vacation payments made for time away from work, such payments will continue to be treated as a regular wage payment; i.e., income tax withholding will be calculated as if the vacation payment represented a regular weekly wage payment.

The above methods are dictated by Federal Income Tax Regulations. Therefore, any change or amendment to such Regulations will, of necessity, have to be reviewed for compliance with the above changes.

Formal procedures to effect these changes are being communicated to Rolls-Royce Allison Payroll by copy of this letter, with instructions to make these changes as soon as practical.

Very truly yours,

Reeder Singler
Director, Human Resources

cc: Rolls-Royce Allison Payroll Department

PROCEDURE TO CORRECT PAY SHORTAGES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

This will confirm our understanding that the following procedure for correcting pay shortages due to Management error, of four (4.0) pay hours or more, will be utilized. It is further understood that all current local agreements regarding this subject will be rendered null and void upon implementation of this procedure.

- Upon employee request, Rolls-Royce Allison Payroll will be notified of the shortage.
- Rolls-Royce Allison Payroll will prepare a check with the employee's normal tax deductions.
- The check will be available to the employee at the plant by the end of the next workday (excluding weekends and holidays).

Very truly yours,

Reeder Singler
Director, Human Resources

EMPLOYEE SOCIAL SECURITY NUMBERS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During 2000 Negotiations, the parties discussed the posting of computer reports with complete social security numbers at Company locations. As soon as practical following these negotiations, a systems change will be implemented whereby posted reports generated via the PeopleSoft System reflect no more than the last five numbers of an employee's social security number. Locally generated reports, which are posted, will be modified in the same manner.

Very truly yours,

Reeder Singler
Director, Human Resources

**EXCERPT FROM THE MINUTES OF THE
WAGE MATTERS SUB-COMMITTEE**

During the course of negotiations, the Union raised concern about situations in which employees had deductions from their paychecks to recover overpayments of wages made in error without having been properly notified per Paragraph 49 of the Rolls-Royce Allison-UAW National Agreement.

The Company responded that following the conclusion of these negotiations it would reiterate to appropriate plant personnel its commitment to properly notify an employee prior to the end of the month following the month in which the check (or payroll order) in question is delivered to the employee.

RETIREE USE OF FITNESS CENTER

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations, the parties discussed allowing retired UAW-represented Rolls-Royce Allison employees to use an in-plant fitness center, if one is developed at some time in the future. Rolls-Royce Allison retirees will be eligible to utilize any such in-plant fitness center on a space-available basis, at non-peak usage periods, when the local fitness center is in operation. The schedule of usage will be determined by the local joint parties based on factors such as location of the fitness center, present hours of operation, present plant employee usage, and other criteria as determined by the local joint parties.

Retirees will be required to complete the proper registration process (physician consent form, liability waiver, etc.) that active employees are required to complete in line with UAW-Rolls-Royce Allison fitness center guidelines.

It is also understood that nothing contained herein or in existing or future statements concerning employee fitness centers or steps taken to implement its programs and related services shall be construed or interpreted as constituting a waiver of either the Company's or the Union's rights or responsibilities under the National Agreement, nor are the centers intended in any way to create for any employee or retiree an enforceable obligation against the Company, the Union, or their representatives.

In addition, it is the parties' intent that any program or related services provided in or through employee fitness centers are not to be construed as benefits or insurance programs. Finally, the Grievance Procedure set forth in the National Agreement shall not apply to, or have jurisdiction over, any matters related to the employee fitness centers.

Very truly yours,

Reeder Singler
Director, Human Resources

**CENTER FOR BENEFIT PLANS AND
HEALTH AND SAFETY REPRESENTATIVES**

Date: February 26, 2000

Subject: Center for Benefit Plans and
Health and Safety
Representatives

"During the negotiations, the Union indicated that the increased complexities of the Benefit Plans Representatives' duties and the function that the Health and Safety Representative will be expected to perform make it desirable for these Representatives to be provided a Center from which to conduct their important activities. Such a Center would provide these Representatives a place to carry out their respective duties in a professional manner and to retain orderly records necessary to their functions.

"The Company agreed that such a Center is desirable for the internal use of the Benefit Plans and Health and Safety Representatives in the larger manufacturing and assembly plants.

"The Company and the Union, realizing the value of proper administration in these areas, agree that the Center shall be used only by the Benefit Plans and Health and Safety Representatives."

Reeder Singler
Director, Human Resources
[See Memo-Work Centers]
[See Doc. 75.76]

**FACILITIES FOR UNION MEMBERS
OF LOCAL APPRENTICE COMMITTEE**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Corporation
International Union, UAW
800 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the course of the current negotiations, the Union cited the problem Union members of the Local Apprentice Committee have relative to keeping necessary records and preparing written materials.

To meet this problem, each location employing less than 50 apprentices is requested to furnish a file or a cabinet which will provide the Union members of the Local Apprentice Committee a place to store their records and do their necessary writing. This file or cabinet should be similar to that which has been furnished District Committee persons in the plant and should be placed in an appropriate and secure location near their work area.

In addition, the Union requested and the Company agreed that at plants employing 50 or more apprentices, the Union members of the Local Apprentice Committee will be furnished a desk and chair for their use in the Center for Benefit Plans and Health and Safety Representatives to perform legitimate clerical functions which are related to their duties as provided in the Rolls-Royce Allison-UAW Agreement.

Reeder Singler
Director, Human Resources
[See Par. (121)]
[See Memo-Work Centers]
[See Doc. 74,76]

SPACE AND FURNISHINGS PROVIDED FOR UNION BENEFIT PLAN AND HEALTH AND SAFETY REPRESENTATIVES AND THE UNION MEMBERS OF THE LOCAL APPRENTICE COMMITTEE

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Corporation
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the parties discussed the matter of space and furnishings provided for union representatives with responsibility for benefit plans, health and safety and apprentice matters.

We are interested as you are in providing facilities which enable all of these representatives to carry out their responsibilities. As soon as practical after the effective date of this agreement, in the locations where there is insufficient room to accommodate these union representatives in the present facility local Management will expand it to make this accommodation. It is understood that at some of these locations where plant layout considerations are involved local Management may accommodate the need for additional room by relocating the facility or by providing a separate space in a suitable location for some of these union representatives. In that regard, at locations employing 600 or more employees a second desk and chair will be provided for benefit plans representatives. We will work with you and our divisions on any problems in this regard brought to our attention.

The specifications of such new or expanded facilities will be consistent with the specifications originally established as a result of the George B. Morris, Jr. letter to the International Union, UAW, dated November 19, 1973, regarding the Centers for Benefit Plans and Health and Safety Representatives.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (124)]
[See Memo-Work Centers]
[See Doc. 73.74.75]

LOCAL UNION PRESIDENTS

December 16, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During the current negotiations, the parties discussed the duties of the Local Union President in Allison plants. The parties agreed that the president's function includes, in addition to administrative duties as the Local Union's Chief Executive Officer, certain elements of Agreement administration.

Accordingly, the Company agreed that in plants employing 500 or more employees where the Local Union President is a full time employee, such president will be allowed to perform legitimate administrative functions without loss of pay up to a total of forty (40) straight time hours per week. Moreover, in those same plants such president, as a portion of the forty (40) hours will be permitted to leave the plant in accordance with Paragraph (24) of the Allison-UAW Agreement and will be paid for up to six (6) hours per day Monday through Friday to perform legitimate administrative functions.

Such Local Union President shall notify the designated Management representative, when leaving and returning to the plant during working hours.

Moreover in those same plants when such Local Presidents are absent for at least one full working day for reasons other than those provided herein, Management will recognize a temporary replacement from among the full time employees. Notification of such replacement shall be submitted in writing at least twenty-four hours in advance to Local Management's designated representative. In the event such a replacement is made, the Local President shall not be paid and the replacement will be permitted to utilize time out of the plant with pay pursuant to the provisions herein.

Inasmuch as Allison Engine Company employees are represented by Local 933, UAW, which is an amalgamated Local Union also representing employees of Allison Transmission Division of General Motors Corporation, the current circumstance of the President of Local Union not being an employee of the Company may exist. In such circumstances the procedure by which the President's presence in Allison Engine Company can be documented and the information transmitted to his home unit for payment and subsequent reimbursement by the Company will be established by mutual agreement between the President of Local 933, UAW and the Manager of Hourly Personnel Administration.

Any problems associated with the implementation or administration of this letter will be reviewed between representatives of the Vice President of the GM Department of the International Union, UAW or his designee and the Company.

Very truly yours,

Barry D. Smith
Vice President

ANTICIPATED TERMINATION OF SICK LEAVES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations, the parties discussed at length the Union's concern that certain employees on sick leaves of absence were not made aware of the anticipated return to work date supplied to Management by the employee's personal physician.

As a result of those discussions the Company advised the International Union that as a matter of policy it would, effective immediately initiate a procedure whereby, in those instances where such information was submitted directly to Management by the employee's attending physician, an employee on a sick leave of absence would be provided written notification of the most current anticipated return to work date designated by his attending physician. A copy of this notification will be provided the Chairperson of the Shop Committee.

In establishing such a procedure it is mutually recognized that providing or not providing such information will be without prejudice to either party in the application of any terms of the National Agreement and will not be cited or relied upon by an employee, the Union, or Management as a basis for any claim.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (106),(111)(b)]

CHANGE IN ESTABLISHED SHIFT HOURS OR LUNCH PERIODS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations the International Union raised the contention that certain local managements had failed to hold the advance discussion specified in Paragraph (88), regarding change in the established shift hours or lunch period.

Accordingly, the Company informed the union that it would advise its Local Plant Management that the matter of a change in established shift hours or lunch periods will be discussed as far in advance as possible with the Shop Committee.

A record of that discussion, which includes the position of the local Union regarding the change, will be published in the minutes of the second step meeting.

Very truly yours,

Reeder Singler
Director, Human Resources

HEALTH AND SAFETY ROLES AND RESPONSIBILITIES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations, the parties discussed the roles and responsibilities of Rolls-Royce Allison Management in the Joint Health and Safety Process. The parties agreed that leadership direction, whether Management or Union, must always be consistent with the Joint Health and Safety Process.

The parties agree to utilize the joint health and safety programs to help support our efforts to achieve a healthy and injury-free workplace. The Management group identified to oversee our health and safety improvement efforts at Rolls-Royce Allison is committed to and desirous of using the Joint Health and Safety process in our facilities covered by this agreement.

Therefore, the parties agreed that members of Rolls-Royce Allison Management and representatives of the Union will support and operate within the policies and procedures established in the Joint Health and Safety Process.

Very truly yours,

Reeder Singler
Director, Human Resources

February 26, 2000

**HEALTH AND SAFETY REPRESENTATIVES
ROLES AND RESPONSIBILITIES**

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the 2000 negotiations, the parties discussed at length the role and responsibility of the Local Joint Health and Safety Committee. The parties agreed that the role and responsibility of the Local Committee is primarily to serve as a technical resource and consulting team to the local Management and Union in matters regarding employee health and safety. In the performance of this role, the Local Joint Health and Safety Committee should coordinate joint activities directly related to employee health and safety and prevention of occupational injuries and illnesses. Among these activities are job related health and safety training, hazard communication, industrial hygiene technician sampling and ergonomics. Hourly employees assigned to perform joint health and safety activities shall be appointed by the Union.

In recognition of the desirability of maintaining the professional standards established for employees assigned to health and safety activities, the local parties will establish a system to encourage and recognize the professional development of joint local health and safety representatives and other employees assigned to such activities.

Very truly yours,

Reeder Singler
Director, Human Resources

February 26, 2000

**REDUCTION IN EMPLOYEE EXPOSURE
TO METAL REMOVAL FLUIDS**

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the 2000 negotiations, the parties discussed the applicability of a reduction in employee exposure to metal removal fluids.

Rolls-Royce Allison will continue to assess employee exposures at operations using metal removal fluids and, on the basis of the most recent scientific studies, will comply with an Occupational Exposure Guideline of 1.0 mg/m³ or less (expressed as Machining Fluid Total Particulate, MF-TP) on existing equipment in our existing facilities.

In addition, Rolls-Royce Allison will specify that new equipment be engineered and designed to attain a level of 0.5 mg/m³ (expressed as Machining Fluid - Total Particulate, MF-TP). Also, we agree to jointly develop a procedure to verify that this level has been attained at initial production start-up, and efforts will be made to maintain this level after production start-up.

Furthermore, Rolls-Royce Allison recognizes that efforts are under way in the scientific community on many fronts to develop an appropriate sampling and analytical method to assess employee exposure to metal removal fluids. However, until this is accomplished, Rolls-Royce Allison will continue to utilize its interim MF-TP procedure.

Very truly yours,

Reeder Singler
Director, Human Resources

OVERTIME POLICIES

Inter-Organization

Date: February 26, 2000

Subject: Overtime Policies

To: SBU Managers
Human Resource Managers

As part of the current negotiations, Rolls-Royce Allison informed the International Union, UAW that it is the Company's intention to continue its previous policy regarding overtime practices. This policy will be applicable only to those employees who are not covered by the provisions of Paragraph (71a) of the 2000 National Agreement.

There was considerable discussion in these negotiations about the claims of the International Union, UAW that too many employees who are required to work overtime over extended periods are not excused from overtime work assignments even though they have legitimate reasons to be excused.

The Company pointed out that overtime serves a number of functions essential to the effective operation of Rolls-Royce Allison's tightly integrated and interdependent manufacturing system. In many instances overtime must be worked in order to permit the plant to meet schedules. Emergency overtime to repair breakdowns in essential equipment is often necessary to prevent or minimize interruptions in plant operations and resultant short work weeks for many employees. Overtime is also necessary on bottleneck jobs and also during certain times of the year in order to meet various deadlines and to satisfy fluctuations in customer demand for Rolls-Royce Allison products.

Both the International Union and the Company recognized that the nature of the business requires overtime work assignments. In many instances, however, less than a full complement in a supervisor's group is needed to fill the jobs which are working overtime. When less than a full complement of employees is needed it is usually practicable for the supervisor to excuse employees who do not wish to work and confine the overtime assignments to those employees who do wish to work.

In situations where there are sufficient employees available who wish to work overtime and who are capable of doing the overtime work assignments, employees who do not wish to work overtime are to be excused from doing so, insofar as practicable.

Employees who are required to work overtime should be given as much advance notice as is practicable so that they can make any personal arrangements that may be necessary.

An individual employee's personal problems in connection with working overtime should be given careful consideration and such individual needs should be recognized. The individual employee's request to be excused from an overtime work assignment, when made a reasonable period of time in advance, should receive every possible consideration. When the request is granted the employee will be notified as far in advance as possible so that the employee can make personal plans accordingly. Thereafter, any cancellation or change in the arrangements to excuse the employee will only be made by mutual consent.

Except in situations of an emergency or crisis nature, an employee who is not assigned to a necessary continuous seven-day operation and who has worked thirteen consecutive calendar days will be excused from work on the next following Sunday provided the request for the day off has been made before the end of the employee's shift on the previous Friday.

Reeder Singler
Director, Human Resources
[See Par. (71)]
[See Memo-Overtime]
[See Doc. 116]

WEATHER CONDITIONS LETTER

Date: February 26, 2000

To: All SBU Managers
All Human Resource Managers

Subject: Failure to Work Forty Hours as a Consequence of Severe Weather Conditions

The following is intended to address situations where employees fail to work forty (40) hours as a consequence of severe weather conditions. In general the following determinations will apply with respect to a plant shutdown or less than a simple majority of employees showing up on any given shift in an area in which severe weather has occurred.

1. In situations where the Company, by virtue of the declaration of a public emergency by a governmental body gives notification by public announcement (radio, TV, Newspaper) that it will not be open for operations, a maximum payment of eight (8) hours will be made to employees regularly scheduled to work during the period of the declared shutdown for each day of the declared shutdown. Such payments will be calculated based on the employee's assigned rate of record and will include any applicable shift premiums and COLA. In order to be eligible for such payment the employee must be considered a seniority employee under the relevant section of this Agreement.
2. In situations where the Company has attempted to operate but has been forced to shut down due to the absenteeism of its employees, and such absenteeism is deemed by the parties to be attributable to severe weather conditions, a payment, calculated as the payment referenced in Paragraph 1 above, and reflective of the period for which they lost wages, will be made to employees who reported to work and were sent home without having received a full eight (8) hours pay for the day in question due to the declaration of a shutdown, in light of employee absenteeism. Employees who were scheduled to report on the day such a situation occurs will be eligible to receive a maximum payment of eight (8) hours for such an occurrence if they can demonstrate, through third party substantiation, that they were precluded from reporting to work due to a "ban" on driving in their city or county of residence. The term "ban" means that under a local law/ordinance being enforced, if caught driving in a specified area, through which employees had no alternative but to travel to get to work on their regular shift, employees would be ticketed, fined and/or jailed. Documentation of such enforcement is required from, and on behalf of, the employees involved. Employees who do not report on such a day, and do so for reasons other than a documented "ban" on driving, will be permitted to cover their absence with available Vacation Time-off."
3. In the calculation of any payments identified in 1. or 2. above, such payment will be offset on an hour for hour basis for any overtime hours (on a straight-time basis) made available to an

eligible employee before the occurrence of the severe weather situation during the payroll week within which the severe weather situation occurs.

Reeder Singler
Director, Human Resources
[See Par. (80).(224)]
[See SUB-Exhibit D]

INNOVATIVE WAGE STRUCTURE

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations, the parties discussed at length issues that have arisen regarding the application of the Local Wage Agreement in the Company's plants. Historical differences have resulted in some wage rate variations which the parties have attempted to address in previous negotiations. Likewise, the plant is engaged in various manufacturing operations having histories which resulted in classification structures that are not compatible with modern manufacturing methods and organizational structures.

In recognition that continuing improvements in the employee's quality of work life, quality of the product, and operational efficiencies are necessary and desirable, the parties have explored various methods to improve the wage structure within the Company's manufacturing operations.

The parties agreed that innovative wage agreements could be instrumental in attaining these objectives and, accordingly, the National parties have agreed to work with and support any plant where there exists a mutual desire to explore such a concept.

Although not meant to restrict the full range of ideas and concepts which could be explored, the parties examined the concept of establishing three (3) non-skilled rates in a plant: sanitation/maintenance, production, and utility. It was understood that appropriate transfer, seniority, shift preference, and other modifications are desirable and necessary to support such an innovative wage structure. This concept would be only one of the options available to a plant that desired to explore innovative wage structures. "Levels of Learning" or "Pay For Knowledge" systems would also be options to be considered.

There is a mutual desire on the part of Management and Union to explore any such innovative wage agreement concepts, they are specifically encouraged and authorized to discuss and propose such modifications. The National parties will provide any necessary assistance to the local Union and the local Plant Management. Any final agreement shall continue to be subject to the approval of the International Union and the Company, who will review these proposals in line with the concepts outlined in this letter.

Very truly yours,

Reeder Singler

Director, Human Resources

[See Par. (89a),(97)]

[See CSA #11]

CHRISTMAS HOLIDAY PERIOD

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

This is to confirm our understanding concerning the Christmas holiday periods provided under our 2000 Agreement.

The new agreement is intended to continue the concept of an unbroken Christmas Holiday Period from the day before Christmas through New Year's Day (inclusive); a period that encompasses two weekends.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (66)(d),(203)(3),(203c)]

COLA CALCULATION

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

This letter is to confirm certain agreements reached by Rolls-Royce Allison and the International Union, UAW, regarding the calculation of the Cost of Living Allowance pursuant to Paragraphs (101)(d) through (101)(l) of the Agreement.

The table in Paragraph (101)(h) has been constructed to provide that 1¢ adjustments in the Cost of Living Allowance shall become payable, sequentially, for each 0.3, 0.2, 0.3, 0.2 and 0.3 change in the Index, and so forth, with that sequence of the five changes being repeated thereafter in the table so as to produce an average adjustment over time of 1¢ for each 0.26 change in the Index. This table, which is based on the Bureau of Labor Statistics' CPI-W (1967=100) reference base, will be used for the first eight adjustments of the Agreement, beginning in March, 1997 through December, 1998.

Effective with the March, 1999 adjustment, this table will be converted to BLS's CPI-W (1993-1995 = 100) reference base. Beginning with the first next 1¢ that may become payable, the table will be modified further to provide that 1¢ adjustments in the Cost of Living Allowance shall become payable for each 0.06 change in the Average Index (1993-1995 = 100). The changes described herein are intended to maintain the same mathematical wage replacement ratio as exists with 1967 = 100 at the time of the transition -- and appropriate changes will be made upon publication of the official Index, if necessary.

In this regard, it is our intention to construct the tables in the following manner:

If the August - October 1998 Average Index falls at the bottom of a 0.2 or 0.3 bracket, or in the middle of a 0.3 bracket, the starting value for the new table will be derived from the bottom of such bracket; and if it falls at the top of a 0.2 or 0.3 bracket, the new table's starting value will flow from the top of such bracket. These values are obtained by multiplying the appropriate top or bottom bracket value by the official BLS conversion factor and rounding to two decimal places.

If the Union claims that the Company's calculations in any particular instance were not made in accordance with the terms of this Letter of Understanding, it may pursue such claim in accordance with the provisions of Paragraph (55) of the new National Agreement.

Very truly yours,

Reeder Singler
Director, Human Resources

Attachment

{See Par. (101)(d),(101)(g),(101)(h)}
{See CSA #10}

COLA CALCULATION

Attachment

ENGINEERING METHOD OF ROUNDING

The following rules of rounding shall apply to the determination of the Consumer Price Index:

1. If the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to four digits, 130.646 becomes 130.6.
2. If the leftmost of the digits discarded is greater than 5, or is 5 followed by digits not all of which are zero, the preceding digit is increased by one. For example, when rounding to four digits, 130.557 becomes 130.6.
3. If the leftmost of the digits discarded is 5, followed by zeros, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to four digits, 130.5500 becomes 130.6 and 130.6500 becomes 130.6.

CAR DISCOUNTS

January 7, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During the 1997 negotiations the parties discussed the desire of Allison employees to be able to purchase new American made vehicles at a discount. The parties agreed that a joint team would be formed to discuss with "Big 3" car dealers within Indianapolis and the surrounding communities the possibilities of obtaining Allison employee discounts for new car purchases from such dealers.

Very truly yours,

Barry D. Smith
Vice President

CREDIT TOWARD SEL

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Credit Toward SEL

The parties had extensive discussions during these negotiations concerning the Company's interest in increasing its competitiveness and growing its business, and the Union's interest in enhancing the job and income security of its members and expanding its Rolls-Royce Allison/UAW employment rolls. We concluded that our goals in each of these areas are not only compatible but achievable.

In recognition of this understanding, it was agreed that, in determining the SEL specified in Document 3, the Company may count UAW-represented active employees of an entity in which Rolls-Royce Allison has a controlling interest as "eligible employees" in such calculations on a three-for-two basis (i.e., every three of such employees will be counted as two "eligible employees" in the SEL calculation), provided that:

- (1) such entities produce products or provide services that do not compete, directly or indirectly, with work covered by the Rolls-Royce Allison-UAW National Agreement. The Company will discuss with the Union, in advance, any products produced by or being considered for such ventures;
- (2) investments in and product plans related to such entities will not negatively impact investments and product plans associated with units covered under the Rolls-Royce Allison-UAW Agreement;
- (3) the wages and benefits of UAW-represented employees of such entities will be competitive with the relevant industry segment or geographic area as appropriate;

- (4) and, the wages and benefits of UAW-represented employees of such entities will be competitive with UAW-represented employers in the relevant industry segment or geographic area as appropriate, and, further, that the wages and benefits of such entities will not undercut the wages and benefits of UAW members working for such employers.

In the case of entities having multiple locations, only those plants/facilities satisfying the above conditions will be included in such calculations.

With regard to wages, the parties have agreed that the average wage rate of such an entity will be no less than the greater of : (1) the prevailing average wage for the top one-fifth of UAW-represented employers in the relevant industry segment or geographic area as appropriate; or (2) the prevailing average wage for the top one-fifth of companies in the relevant industry segment or geographic area in which the entity is situated as appropriate. These rates will be determined by surveys completed by independent organizations or consultants selected by the mutual agreement of the parties. The survey companies will be determined based on such factors as size, type of labor market and similarity of operations. The number of companies or operations in the survey will be large enough to be considered representative. Both parties will have the opportunity to recommend representative companies for inclusion in the survey.

Disputes concerning all matters covered in this letter will be referred to the Company and International Union for review and resolution. It is also understood that the Company may not implement the terms of this letter without the agreement of the Director of the UAW Aerospace Department.

Very truly yours,

Reeder Singler
Director, Human Resources

PERSONAL PRIVACY

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations the Union raised a number of concerns regarding the subject of personal privacy. The discussions centered on the collection and dissemination of personal data concerning employees and/or their conduct in the workplace.

The Company reassured that it places as much importance on the confidentiality of such information as does the Union. In this regard, the Company will continue to protect and respect the confidential nature of all personal information. Both the Company and the Union agreed that the collection and dissemination of all such data must be related to the legitimate needs of the business or as required by any local, state or federal law, regulation, or court order.

Very truly yours,

Reeder Singler
Director, Human Resources

SALE OF BUSINESS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations, the Union requested the Company to agree that any sale of an operation as an ongoing business would require the buyer to assume the 2000 Rolls-Royce Allison-UAW Collective Bargaining Agreement. The Company agreed to do so in the case of any such sale during the term of the 2000 Agreement.

Very truly yours,

Reeder Singler
Director, Human Resources

UP-FRONT LUMP SUM PAYMENT

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the parties agreed to provide an up-front lump sum payment of \$1,250.00 to each eligible employee. Eligible employees are defined as those whose status on the effective date of this agreement is one of the following:

- Active
- On one of the following leaves of absence not greater than ninety (90) days:
 - Informal (Paragraph 103)
 - Formal (Paragraph 104)
 - Sickness and Accident (Paragraphs 106/108)
 - Pursuant to Family and Medical Leave Act
 - Military (Paragraph 112)
 - Educational (Paragraph 113)
- Employees otherwise eligible with retirements processed for an effective date of August 31, 1999.

In addition, should the International Union raise any question of equity in application regarding specific employees, the Company agrees to meet on such cases in order to review the facts.

Very truly yours,

Reeder Singler
Director, Human Resources

BEREAVEMENT VACATION WITH PAY

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, MI 48214

Dear Mr. Gettelfinger:

During the current negotiations, the parties discussed the possibility of a death of an immediate family member as defined in Paragraph (218b) of the Rolls-Royce Allison-UAW Agreement occurring during a period in which an employee is on vacation time off with pay.

This confirms our understanding that if such circumstances occur where the employee has satisfied the requirements of Paragraph (218b), the employee will be entitled to three additional days of vacation time off during the employee's vacation eligibility year. If an employee does not use these days by the employee's next vacation eligibility date, the employee shall be compensated for these days at a rate of pay established in accordance with Paragraph (192) of the Rolls-Royce Allison-UAW Agreement. Recovery of overpayments made pursuant to this understanding will be made in accordance with Paragraph (202d).

Very truly yours,

Reeder Singler
Director, Human Resources

**HOLIDAYS OCCURRING DURING AN
APPROVED VACATION**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations the parties discussed the situation where an employee has applied for and been granted a vacation for a calendar week which contains a holiday as defined by Paragraph (203) of the Rolls-Royce Allison-UAW Agreement. The Union was concerned that if an employee was credited with a full week of vacation time off under this situation, the employee would not be able to receive the employee's full vacation time off as contemplated in the Vacation Entitlement Section.

The Company recognizes the desirability of providing vacation time off up to the employee's eligibility for vacation entitlement as of the end of the current eligibility year. Accordingly, the Union was advised that in situations described above an employee would be eligible for an additional day of absence for vacation purposes to be scheduled in accordance with local practice. This would not apply to holidays falling within the Christmas Holiday Period as defined in Paragraph (203).

Very truly yours,

Reeder Singler
Director, Human Resources

GRIEVANCE PROCEDURE

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the discussions that led to the 2000 Collective Bargaining Agreement, the parties held lengthy discussions regarding the grievance procedure and its proper implementation. Both parties acknowledged that the Grievance Procedure has worked well over the years in resolving problems when it was properly administered as outlined in the National Agreement.

The Union claimed that in some instances, the Grievance Procedure provisions have not been properly applied relative to the intent of the National Agreement. Specifically, the Union remarked that at some locations, grievances were allowed to accumulate at the various steps of the Grievance Procedure and/or were not answered in a timely manner at the lower steps of the procedure. The Union further claimed that in some cases Management representatives were not available for or were unwilling to schedule regular grievance meetings. The Company stated their concern that at times, Union Representatives demanded answers to grievances before Management had an opportunity to investigate the charges contained in the grievance.

As a result of the foregoing, the parties reviewed the contents of Document No. 44 and Document No. 45 and reaffirmed their mutual desire and intention to assure that grievances will not be unduly delayed nor allowed to accumulate at any step in the Grievance Procedure in any plant. Furthermore, it was recognized that both parties have the responsibility to meet regularly on grievances in accordance with the terms of the Agreement and that such meetings should not be postponed or delayed unnecessarily. In this regard, the parties agreed that complaints in this area will be handled under the provisions of Paragraph (5a) of the Agreement. Before such problems are referred from the plant, however, the situation will be discussed between the Chairperson of the Shop Committee, the President of the Local Union and the Regional Servicing Representative, and the Director of Human Resources and Employee Relations Manager.

Very truly yours,

Reeder Singler
Director, Human Resources
{See Par. (28)-(45)}

"COOLING OFF" PERIOD

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the course of the current negotiations, the Union expressed concern that some disciplinary interviews escalated into confrontation because tempers flared. The Union suggested that in these situations a "Cooling Off" period would be beneficial to all concerned.

The Company and the International Union agreed that contemplated discipline should be discussed in a calm manner allowing for an objective evaluation of the facts. In those situations where emotions preclude this from happening, the parties agreed that as a matter of practice and when possible such discussions should be postponed until such time that, in the opinion of Management, a constructive exchange of information could occur.

Notwithstanding the foregoing the parties recognized that certain actions such as assault, or other serious acts of misconduct would render the "cooling off" period totally inappropriate.

Additionally, it was mutually recognized that providing or not providing a "cooling off" period will be without prejudice to either party in the application of any terms of the National Agreement and will not be cited or relied upon by an employee, the Union, or Management as a basis for any claim.

Very truly yours,

Reeder Singler
Director, Human Resources
{See Par. (76a)}

PROMOTIONS-(63)

February 26, 200

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the Union expressed concern with the application of Paragraph (63) of the Rolls-Royce Allison/UAW National Agreement. The Union specifically expressed concern over the use of disciplinary and attendance records in determining the merit ability and capacity of applicants for promotional opportunities.

The Corporation advised the Union that retaining the ability to promote the most qualified applicants was essential to its commitment to make quality products and to maintain efficient operations. The Corporation assured the Union that in evaluating disciplinary and attendance records in determining merit ability and capacity for promotional opportunities, the exercise of good judgment was essential. In evaluation the records of two employees who have applied for a promotion, if the records are to be the deciding factor, there must be a meaningful difference between them.

The Company advised the Union that after the effective date of the new Rolls-Royce Allison/UAW National Agreement, it intends to review the contents of this letter with local Management to insure fairness in the exercise of these rights.

Very truly yours,

Reeder Singler
Director, Human Resources

SUBCONTRACTING COMMUNICATIONS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations, there were discussions concerning subcontracting which resulted from inadequate communication about such matters. As a result of these talks, Management reaffirmed its commitment as follows:

During the current agreement we have experienced many problems in the plants in handling subcontracting matters. In many of these instances the root cause of the problem is lack of communication.

Inadequate communication has occurred between Union and Management representatives in the past. The Rolls-Royce Allison-UAW National Agreement currently requires timely meetings in advance of the decision to subcontract work normally and historically performed by Rolls-Royce Allison skilled trades employees.

Plant level meetings with local union representatives relative to routine maintenance contracting are sometimes held after the contract has been let and insufficient useful information is provided to the union for them to consider and make appropriate comments relative to Management's plans.

The Company intends to achieve world wide competitive status utilizing not only the skills of our employees but also the suggestions and ideas of the people and the unions as to how work can best be accomplished at the lowest possible cost with the highest possible quality and on time.

This approach to managing the business should be utilized throughout the Company at all levels: production, skilled and technical. Obviously such discussions should be held in a timely manner with appropriate management and union personnel.

Accordingly, please assure that an appropriate representative of management in Labor Relations is responsible for having adequate information about each subcontract for the performance of skilled trades work covered by the subcontracting provisions of the agreement. After

determining that required discussions have been held this representative would approve the contract prior to its being let to an outside firm. This will require complete understanding and cooperation of our contractual requirements by the plant's engineering and purchasing personnel.

Please be assured that all executives or others involved with product teams are made aware of our contractual requirements. A specific member of each team shall be given the responsibility of informing Labor Relations well in advance of the actual beginning of ordering tooling. The objective is to enable Labor Relations to inform the union in advance of any impact on the bargaining unit.

There are numerous examples where complete, advance communications with the union and the skilled trades employees has resulted in important projects being completed on a competitive basis in terms of quality, cost and timeliness. The result has been a feeling of pride of accomplishment shared by the union, employees and the managers.

Our relationships can only be improved by open, frank communications in all areas, particularly in carrying out our subcontracting responsibilities. The Operating Committee is in complete agreement that extraordinary attention must be given to our managerial responsibilities in this area. We are committed to utilizing the Rolls-Royce Allison/UAW Local 933 Memorandum of Understanding on Outside Contracting Procedure and, thereby, insure full communications are achieved.

Very truly yours,

Reeder Singler
Director, Human Resources

**ROLLS-ROYCE ALLISON POLICY
REGARDING SEXUAL HARASSMENT**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

The following is the text of Rolls-Royce Allison written and published policy regarding sexual harassment.

"Rolls-Royce Allison has had for many years a written and widely distributed policy on equal opportunity employment. Sexual harassment, as in the case of harassment based on age, race, color, religion or national origin, has long been regarded as a violation of this policy.

"All employees are expected to deal fairly and honestly with one another to ensure a work environment free of intimidation and harassment. Abuse of the dignity of anyone, through ethnic, racist or sexist slurs or through other derogatory or objectionable conduct, is offensive employee behavior. Sexual harassment also includes unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature.

"All Rolls-Royce Allison employees are entitled to a work environment in which words and actions do not have even the appearance of disrespect. Sexually-oriented jokes, cartoons, pictures, language, certain gestures and touching may be offensive to people and, therefore, may result in a hostile work environment. This type of conduct will not be tolerated in the workplace. Rolls-Royce Allison facilities must be free of hostility resulting from sexually-oriented behavior. It is the responsibility of management and each employee to maintain an environment free of hostility.

"As in the case of other unfair employment practices, if you believe you have been subjected to sexual harassment, you may bring your concerns to the attention of either your immediate supervisor, personnel director or representative, or you may utilize appropriate and existing internal complaint procedures."

Rolls-Royce Allison and the UAW are in agreement that complaints of sexual harassment should be dealt with promptly and fairly under existing internal procedures as provided under Paragraph (6a) of the Agreement.

Very truly yours,

Reeder Singler
Director, Human Resources

WARRANTIES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations the Union complained there has been inconsistent administration of the "normal warranty" provisions of Paragraph 183(b) of the Agreement. The Union indicated that plant management insists on warranties beyond normal periods of time and that our skilled employees are not assigned to the new equipment or machinery until long after it has been in the plant. This does not provide the opportunity for our own skilled trades to learn how to keep such equipment operating effectively.

The Company informed the Union that good business practice includes the use of warranty arrangements sufficient to assure that the equipment purchased by the Company performs according to specifications required by the purchase contract.

The parties agreed that many locations through cooperative efforts such as assigning UAW-Rolls-Royce Allison employees with vendors during installation and servicing, progressive training arrangements both onsite and offsite, etc. have resolved all their problems attendant to this issue. The Company and the International Union encourage each local union and local management to pursue such reasonable working agreements.

Instances that are not resolved may be handled under the subcontracting provisions of this agreement.

Very truly yours,

Roeder Singler
Director, Human Resources

EDUCATIONAL AND CAREER COUNSELING

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the course of national negotiations, the parties discussed matters relating to the Tuition Assistance Program and the shared concern that eligible employees may be using available tuition assistance funds for courses or programs that do not maximize their educational potential. As a result, it was mutually agreed it would be desirable and potentially cost effective to continue to make available competent educational counseling to such employees when educational decisions are being contemplated.

Accordingly, following negotiations, the parties jointly commit to review the experience of the Educational Development Counselor (EDC) Program currently underway. Following such review, the parties will seek authority and funding from the Executive Review Board to further implement cost effective methods of providing such counseling, including utilization of public and private resources, where practicable.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Memo-Tuition Assistance]

**TUITION ASSISTANCE PROGRAM
COLLEGE RECOGNITION**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the course of national negotiations, the parties held extensive discussions on issues involving the Tuition Assistance Program (TAP). One of the issues discussed concerned utilization of TAP benefits to obtain educational credit for certain in-plant training. In this regard the parties agreed as follows:

In instances where employees, by virtue of their job assignment, are being provided with technical or professional training, the parties will jointly work with local recognized degree granting institutions to determine the possibility of obtaining credit for such training. Such credit would be applied toward recognized degree requirements only if the employee so desires. Additionally it is anticipated that costs for such credits will not normally equate to full credit hour charges at the institutions involved. Some examples of circumstances under which this understanding would be utilized are training programs associated with Health and Safety or Employee Assistance Program assignments and applicable Human Resource Center Developed Training Courses.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Memo-Tuition Assistance]
[See Doc. 7.39]

Doc. No. 103

Deleted

MOVEMENT OF WORK - ADVANCE NOTICE

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the Union expressed concern regarding changes which affect the movement of work after a Paragraph (96a) has been agreed upon and/or employees transferred. Also, the Union indicated a need for improved advance notification of pending transfers of work.

The Company informed the Union of its interest in providing advance information as soon as is practicable to do so regarding the transfer of operations. Also, once a Paragraph (96a) has been agreed upon, barring any unforeseen circumstances, the work will move.

Very truly yours,

Reeder Singler
Director, Human Resources

December 17, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During our discussions regarding a continuation of the Independence Week Shutdown as a part of the 1997 Allison/UAW National Agreement, we explained that it had not been a practice at Allison to utilize the Independence Week as a time for discontinuing operations within our facilities and we did not anticipate using it as such in the foreseeable future. On that basis the parties agreed to make the time available as additional "vacation time off" as specifically provided for in Paragraph (202c) of the 1997 Allison/UAW National Agreement.

As a result of the discontinuance of the Independence Week Shutdown at Allison Engine Company, the following Paragraphs were not carried over from the 1993 National Agreement to the 1997 National Agreement.

(98) reference to Independence Week Shutdown
(189) reference to Independence Week Shutdown
(202a)
(202b)
(202c)
(202d)
(202d)(1)
(202d)(2)
(202d)(3)
(202e)
(202f)(1)
(202f)(2)
(202f)(3)
(202g)
(202j)

Barry D. Smith,
Vice President

SKILL CENTERS - TRAINING IN PLANT

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations the parties discussed the need for basic educational opportunities and training through existing in-plant or other dedicated, accessible and adequate facilities approved by the Local Joint Activities Committee. The parties agreed to increase their emphasis on basic educational opportunities and training while ensuring that employees and their spouses continue to have access to education and training opportunities for basic skills in areas such as math, reading, problem solving or language. The parties are expressly interested in assisting employees and their spouses who want to master new skills and achieve personal goals in basic education. In this regard, it was agreed that the Joint Skill Development and Training Committee will develop a basic education curriculum in six main areas of educational counseling and learning opportunities:

- Adult Basic Education - provides an emphasis on skill building in the areas of reading, writing, language and mathematics.
- General Education Development - provides the opportunity to prepare for a high school equivalency exam for those who have not earned a high school diploma.
- Educational Enrichment Services - provides the opportunity to sharpen skills in areas such as math, writing, reading comprehension, communication, problem solving and science, which can assist participants in technical training, college courses, or other personal goals.
- High School Completion - provides the necessary instruction in subject areas required to complete a high school diploma.
- English as a Second Language - provides instruction in speaking and writing the English language for participants whose native tongue is not English.
- Academic Advising Services - provides individualized academic advising services to participants to assist them in identifying and pursuing basic education goals through project educational staffs and Educational Development Counselors.

The basic education curriculum and any enhancements would continue to be developed through the coordinated efforts of Local Joint Activities Committees (LJAC) along with local education providers and approved by the Key 4..

Additionally, the parties agreed to develop curriculum changes and /or enhanced curriculum insuring that employees and spouses have access to education and training opportunities to meet the challenges of the coming information age. To assist in this process the parties will solicit input from local educational agencies and other external sources regarding what changes are deemed appropriate in the Skill Center curriculum and administration.

The program design generally will focus on the individuals, adapting to the different interests, abilities, and work schedules of the participants including:

- Individual Needs Assessments
- Individual Instructional Plan
- Individual and Small Group Instruction
- Computer-Aided and Computer-Managed Instruction
- Instruction in Diverse Subject Area, and
- Participant Anonymity

Hardware, software and training materials used in the above mentioned computer-aided and computer-managed instruction are subject to approval by the Key 4.

This Skill Center is intended to create an environment which allows educational opportunities to be more accessible within a positive environment. Project services would be integrated and coordinated with other personal development, educational and training activities. Project staff will be made available at times that are convenient for workers including before and after shifts, breaks and lunchtimes.

The above educational pursuits will be supported by training funds and will be administered by the Local Joint Activities Committee with oversight by the Key 4. In addition, these facilities may be used for other appropriate training approved by the Local Joint Activities Committee.

If a plant constituting a local bargaining unit is scheduled to be idled or closed, the local parties will notify the Shop Committee of their proposed plan to alter Skill Center services for participants enrolled in the plant's Skill Center.

The notice will include a projected date for alternative arrangements, the number of participants enrolled and a brief description of the alternative arrangements. Thereafter, the national parties will discuss the matter and resolve any issues by mutual agreement of the Company and the International Union.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Memo-Joint Activities]

TRAINING OF INDIVIDUALS WITH DISABILITIES

ROLLS-ROYCE ALLISON

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Acrospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, MI 48214

Dear Mr. Gettelfinger:

During negotiations, the parties discussed the need to provide training to all employees, including individuals with disabilities as required by appropriate state and federal law.

Recognizing that providing training to individuals with disabilities may require specialized instruction, the Company agrees to provide appropriate resources that allow individuals with disabilities to receive necessary training opportunities afforded other employees.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. 6a1]
[See Doc. 32]

Memorandum of Understanding

Child Care Program

During the course of negotiations the parties agreed to review and evaluate the operating status of existing *Child Care and Child Development Centers*, and report on the viability of such a program locally.

Per this agreement the LJAC (Local Joint Activities Committee) will evaluate the existing child care programs and make recommendations as to whether a local child care program is viable at the Company, how the program would be funded, and where the center would be located.

If a Child Care Program is found to be viable, plans for the center will be jointly developed to ensure the plan will meet the needs of the employees.

PRE AND POST RETIREMENT PROGRAMS

This will confirm our understanding that the parties have agreed to continue their support of the Pre-Retirement Program "Design Your Successful Tomorrow" for UAW-represented Rolls-Royce Allison employees and their spouses. In addition, the parties have agreed to continue to support the Post Retirement Program implemented during the term of the 1990 Agreement. In this regard the parties have discussed at length the Union's concerns relative to the availability and participation of both Management and Union personnel involved in the implementation of the Programs. The parties renewed their commitment to continue their support for the implementation of and the participation in these programs. Following these negotiations, joint efforts will be required to explore and analyze the various options available in order to address these concerns.

Any problems coordinating the scheduling/facilitating of pre-retirement sessions should be raised with the Key 4.

The programs will be supported by national training funds and will be jointly administered under the direction of the Key 4.

GENERAL MOTORS, ALLISON ENGINE COMPANY, UAW MOU

January 10, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During the current negotiations the parties discussed the Memorandum of Understanding between General Motors Corporation, Allison Engine Company and the UAW dated May 24th, 1994, pertaining to Allison Engine Company bargaining unit employees who were employed by Allison Gas Turbine Division of General Motors Corporation as of December 1, 1993.

Provisions regarding STATUS WITH GM are found in Paragraph 5 of the attached MOU.

Provisions concerning REEMPLOYMENT BY GM are found in Paragraph 6 of the MOU.

Provisions pertaining to CESSATION OF BUSINESS are found in Paragraph 16 of the MOU.

Very truly yours,

Barry D. Smith
Vice President

**MEMORANDUM OF UNDERSTANDING
REGARDING THE IMPACT ON EMPLOYEES OF THE SALE OF
ALLISON GAS TURBINE DIVISION**

MEMORANDUM OF UNDERSTANDING entered into this 24th day of May 1994 between General Motors Corporation, hereinafter referred to as GM, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, hereinafter referred to as the UAW and Allison Engine Company, hereinafter referred to as the Buyer.

WHEREAS, on September 14, 1993, Buyer executed an Agreement with GM to purchase as an ongoing business the Allison Gas Turbine Division, Indianapolis Plant, (hereinafter referred to as AGT) and the Closing Date for this transaction was December 1, 1993; and

WHEREAS, pursuant to the "Sale of Business" letter attached to the 1993 GM-UAW National Agreement as Document No. 91, Buyer is required to assume applicable terms of the 1993 GM-UAW National Agreement; and

WHEREAS, GM and the UAW have discussed the impact of the sale on the UAW represented employees at AGT, including the specific application of the provisions of the GM-UAW National Agreement to such AGT employees; and

WHEREAS, the UAW is the certified collective bargaining representative for AGT hourly employees who transferred to Buyer where the UAW will also be the certified collective bargaining representative for such employees; and

WHEREAS, it is the intent of the parties, and the purpose of this Memorandum to resolve all GM-UAW issues to complete the transition of hourly employees from AGT to Buyer' operation;

NOW THEREFORE, it is mutually understood that any other provisions of the 1993 GM-UAW National Agreement, Supplements and Exhibits attached thereto and the local agreement between AGT and Local 933 UAW, to the contrary notwithstanding, the parties hereby agree as follows:

1. ASSUMPTION OF AGREEMENT

- a. GM's contract with Buyer provides that Buyer will assume the applicable terms of the 1993 GM-UAW National Agreement constituting the 1993 Buyer-UAW Agreement, except as otherwise provided herein, as of the effective date of the sale, hereinafter referred to as the Effective Date.
- b. Buyer hereby agrees to assume the applicable terms of the 1993 GM-UAW National Agreement and the terms of the recently negotiated Local Agreement.

2. EMPLOYEES RETAINED

GM will continue to be responsible for up to 489 active hourly AGT employees separated from the AGT workforce prior to the Effective Date in accordance with the applicable lay-off procedures in effect at AGT under the GM-UAW National Agreement and the local agreement between AGT and Local 933, UAW. Further, the costs of these employees will not be chargeable to caps established under the GM-UAW National Agreement.

3. EMPLOYMENT WITH BUYER

- a. GM's contract with Buyer provides that, as of the Effective Date, Buyer will employ all other active hourly represented AGT employees who have unbroken seniority. It is understood that after the adjustment required to accommodate the employees in (2) above, Buyers will be obligated to employ 2000 active hourly represented former AGT employees who have unbroken seniority.
- b. GM's contract with Buyer provides that, as of the Effective Date, Buyer will also employ all hourly employees on short-term leave of absence status from AGT, who, based upon the reason underlying each such employee's leave status, are reasonably expected by GM to return to active employment within the one (1) year period following the Effective Date. As of the first anniversary of the Effective Date, any such employees, who have not become eligible to return to active employment with Buyer, shall return to employment with GM and shall receive coverage, if otherwise eligible, under the applicable GM benefit plans and Appendix "A" of the GM-UAW National Agreement.
- c. As of the Effective Date, any AGT hourly employees on a leave of absence, who GM does not reasonably expect to return to active employment with the one (1) year period following the Effective Date, shall remain GM employees and shall receive coverage, if otherwise eligible, under the applicable GM benefit plans and Appendix "A" of the GM-UAW National Agreement. GM's contract with Buyer provides that, if any such employee becomes eligible to return to active employment during the one (1) year period following the Effective Date, Buyer shall offer employment to such individuals as of such date.
- d. In the event any AGT hourly employee declines employment with Buyer, such employee will be placed on a GM Formal Leave of Absence with eligibility for any GM paid benefits. Such employees will be eligible for Appendix "A" of the GM-UAW National Agreement.
- e. Any AGT hourly employee retained by GM pursuant to (2) above as of the Effective Date, who is offered employment by Buyer within a two (2) year period following the Effective Date and refuses such job offer while not actively at work at GM will be placed on a GM Formal Leave of Absence without eligibility for any GM paid benefits. Unless recalled to AGT, employees will remain on such leave until seniority has broken at all GM plants. The refusal of a job offer from

Buyer by any such former AGT hourly employee actively at work at GM at the time of the offer will have no impact on the employee's status at GM.

4. **SENIORITY**

GM's contract with Buyer provides that Buyer will assume the GM seniority status of AGT hourly employees on the Effective Date, who are transferred as of the Effective Date or are otherwise employed by Buyer as provided for in subsection 3 c above, for purposes of continued employment with Buyer and seniority standing under the Buyer-UAW Agreement.

5. **STATUS WITH GM**

Upon Buyer assuming the GM seniority status of AGT hourly employees, their status with GM will be on "indefinite layoff" with rights as defined in this Memorandum. Such employees will be hereinafter referred to as transferred employees.

6. **REEMPLOYMENT BY GM**

- a. Any transferred employee, who makes written application to GM during the term of the 1993 GM-UAW National Agreement, will be eligible for future employment at GM plants on the same basis as laid-off GM-UAW employees pursuant to the provisions of Appendix "A" of the GM-UAW National Agreement. Applicants will be offered opportunities for meaningful employment within General Motors in a manner that protects the effectiveness of the on-going operations for the Buyer and GM in accordance with the discussions between the parties, as openings occur.
- b. In the event the Buyer or its successor company ceases doing business, transferred employees who retain GM seniority pursuant to Paragraph (64)(e) of the GM-UAW National Agreement may make application to return to GM under Appendix "A" of the GM-UAW National Agreement.

7. **SUB/GIS AND JOBS PROGRAM**

- a. Transferred employees will not be entitled to any benefits under the GM SUB Plan, GIS Program, or JOBS Program except as provided in (d.) below. Entitlement shall be governed by the terms of the Buyer-UAW Agreement.
- b. The maximum liabilities for the SUB Plan, GIS Plan and JOBS Program under the 1993 Buyer-UAW Agreement will be prorated based on the portion that the number of transferred employees bears to the sum of all GM-UAW employees plus transferred employees as of the Effective Date.

- c. The maximum liabilities for the SUB Plan, GIS Plan and JOBS Program under the GM-UAW Agreement will not be reduced as a result of the sale and transfer of employees from GM to Buyer.
- d. If the Buyer exhausts the SUB or GIS cap(s), GM will be secondarily liable for payment of such benefit(s) for the duration of the 1993 GM-UAW Agreement.

8. REPLACEMENT PENSION PLAN

- a. GM's contract with Buyer will provide that Buyer will establish a new defined benefit pension plan (hereinafter referred to as the "Replacement Plan"), effective as of the Effective Date, covering all transferred employees which, consistent with Buyer's obligation under the Buyer-UAW Agreement, will contain terms identical to the GM Pension Plan, except for those provisions required to be changed as a result of a new plan sponsor and the provisions addressed in this Memorandum. The intent of the parties is to provide transferred employees with benefits from the Replacement Plan and the GM Pension Plan which, apart from any difference that may result from future bargaining, in aggregate, will equal the benefits that would have been provided had the sale not occurred and the employees had continued working for GM.
- b. The Replacement Pension Plan will provide that all prior periods of credited service (as such term is used in the 1993 GM-UAW National Agreement) of transferred employees as of the Effective Date, or with respect to any employee who becomes a transferred employee after the Effective Date, the date such employee commences active employment with Buyer (hereinafter referred to as the Transfer Date), under the GM Pension Plan will be considered as credited service and will be taken into account under the Replacement Pension Plan for purposes of determining benefit entitlement amounts and eligibility to receive benefits under the Replacement Pension Plan, except for those transferred employees who retire on or before 10-1-96.
- c. The Replacement Pension Plan will further provide for an offset to the accrued benefits of each transferred employee under the Replacement Pension Plan, only with respect to those benefits provided by GM credited service under the Replacement Pension Plan, equal to the sum of: (i) the nonforfeitable benefit payable at normal retirement age as determined by GM (actuarially reduced for early commencement where appropriate) of each such transferred employee who is vested under the GM Pension Plan calculated as of the Effective/Transfer Date, and (ii) an amount equal to all subsidies and supplements payable to each such transferred employee under the GM Pension Plan as of the date of each such transferred employee were then retiring from GM and by taking into account solely for eligibility purposes the attained age (but not any additional service from and after the Effective/Transfer Date, other than service recognized pursuant to

Section 1(b)(1) of Article III of the GM Pension Plan) of the transferred employee as of the date of their retirement from Buyer under the GM Pension Plan.

- d. If, subsequent to the retirement of a transferred employee, the amount of any social security supplement, within the meaning of Treasury Regulation 1.411(a)-7(c)(4), payable to such transferred employee under the GM Pension Plan is reduced in compliance with Section 411(d)(6) of the Code, the amount of such reduction shall no longer be subject to the offset described herein.
- e. Transferred employees will accumulate credited service under the Replacement Pension Plan in accordance with its terms.
- f. Transferred employees who retire from Buyer on or before 10-1-96 on a normal or early voluntary basis, or other retirement as approved by GM, will not vest benefits under the Replacement Pension Plan; such transferred employees will receive benefits solely from the GM Pension Plan.

9. GM PENSION PLAN

- a. No other credited service will be granted under the GM Pension Plan after the Effective/Transfer Date, except for transferred employees who retire from the Buyer on or before 10-1-96 on a normal or early voluntary basis, or other retirement as approved by GM, will receive credited service under the GM Pension Plan for a period equal to service accrued with Buyer from the Effective/Transfer Date through date of retirement. Payment of benefits to such transferred employees shall be based on the benefit rates and credited service in effect at date of retirement.
- b. Transferred employees not covered by 9(a) above shall retain five credited service in the GM Pension Plan and, upon retirement from Buyer, each transferred employee, who was vested in the GM Pension Plan as of the Effective/Transfer Date, shall be entitled to payment from the GM Pension Plan calculated pursuant to Section 8.c. of this Memorandum.
- c. Unless otherwise payable from the Replacement Pension Plan, the surviving spouse of a transferred employee, who is vested under the GM Pension Plan as of the Effective/Transfer Date, and who dies while employed by the Buyer, shall be eligible for payment from the GM Pension Plan of a survivor benefit based on credited service accumulated under the GM Pension Plan and the GM benefit levels in effect at the time of death. All other GM Pension Plan terms shall apply, including but not limited to those regarding eligibility and duration of surviving spouse benefits.
- d. Any other break in service under the Replacement Pension Plan shall also break the employee's service under the GM Pension Plan with entitlement only to

accrued retirement benefits (i.e. deferred vested pension if not otherwise eligible to retire at that time) at the benefit levels in effect as of the Effective/Transfer Date pursuant to 8.c. Further, a job offer of suitable work by GM in the same labor market area under the GM Pension Plan Standards for Application of Provisions Regarding Retirement Under Mutually Satisfactory Conditions.

- e. If any transferred employee retires under the GM Pension Plan and is subsequently reemployed by either GM or the Buyer on a regular, contract or other basis, then, consistent with treatment for all GM retirees, payments being made to such employee by the GM Pension Plan and/or Replacement Pension Plan shall be suspended until such employment ceases and the employee again retires.
- f. If any transferred employee is reemployed by GM, upon such employee's subsequent retirement from GM, the GM Pension Plan shall (1) consider credited service accrued under the Replacement Pension Plan after Effective/Transfer Date solely for the purpose of determining eligibility to receive benefits under the GM Pension Plan, and (2) offset any benefits the transferred employee is eligible to receive from the Replacement Pension Plan in respect to GM credited service taken into account under the Replacement Pension Plan in accordance with Section 8(b) plus any service credited under the GM Pension Plan under Section 9(a) determined as if the Transferred Employee were then also retiring from Buyer.
- g. It is understood that credited service will not accrue at both Buyer and GM for the same period of time.

10. HEALTH CARE AND LIFE AND DISABILITY BENEFIT PROGRAMS

- a. Coverage under the GM Health Care Program and Life and Disability Benefits Program will cease for all transferred employees as of the Effective/Transfer Date, except as provided below.
- b. GM's contract with Buyer provides that, consistent with Buyer assuming the 1993 GM-UAW Agreement under Section 1, Buyer will establish Buyer health care and life and disability benefits program, effective as of the Effective Date, that duplicate the terms and conditions provided for under the GM health care and life and disability program, except for the provisions required to be changed as a result of a new plan sponsor and the provisions addressed in this Memorandum.
- c. Upon retirement from Buyer and GM, GM shall provide post-retirement health care and life and disability insurance coverage to the following transferred employees as if retiring from GM:
 - i) All transferred employees with unbroken seniority at AGT as of the Effective Date, who are eligible to retire on a normal or early

- voluntary basis with post-retirement health care and basic life insurance coverage on the Effective/Transfer Date, and
 - ii) All transferred employees who retire from GM and Buyer on a normal or early voluntary basis, or other retirement as approved by GM, under the GM Pension Plan on or before 10-1-96 and are otherwise eligible for post-retirement health care and basic life insurance coverage under the terms of the applicable GM-UAW Agreement.
 - iii) The provision of post-retirement health care and basic life insurance coverage by GM is subject to all applicable benefit plan terms.
 - d. GM will reinstate Basic Life Insurance coverage in retirement for transferred employees who are eligible for such coverage under the provisions of Paragraph 10(c)(i) or 10(c)(ii) immediately above. In determining the amount of Basic Life Insurance and Continuing Life Insurance in retirement for such employees, credited service accumulated while employed at GM and Buyer will be included under the GM Life and Disability Benefits Program. In addition, the base hourly rate in effect on the date of retirement from GM and Buyer will be used to determine the amount of GM Basic Life Insurance and Continuing Life Insurance.
 - e. Post-retirement health care and life insurance coverage for all other transferred employees shall be pursuant to the terms of the Buyer-UAW Agreement and Buyer's health care and life and disability benefits program.

11. SAVINGS PLAN

- a. A transferred employee who retains assets in the Personal Savings Plan will be treated identically to laid-off GM employees.
- b. GM's contract with Buyer will provide that, consistent with Buyer assuming the 1993 GM-UAW Agreement under Section 1 above, Buyer will establish a Buyer personal savings plan, effective as of the Effective Date, that duplicates the terms and conditions provided for under the GM Personal Savings Plan, except for the provisions required to be changed as a result of a new sponsor plan. Buyer's plan shall also allow for a rollover from the GM Plan to the extent permissible by law.

12. LEGAL SERVICES PLAN

- a. Files open as of the Effective/Transfer Date with respect to transferred employees and current retirees of the AGT facility and their surviving spouses will be covered by the GM-UAW Legal Services Plan. Files opened with respect to transferred employees and their surviving spouses on or after the Effective/Transfer Date will be covered by the Buyer's legal services plan except

that transferred employees who retire from GM under (8.f.) above will be covered by the GM-UAW Legal Services Plan.

- b. The Buyer will provide legal services through the GM-UAW Legal Services Plan for the duration of the 1993 GM-UAW Agreement, including funding as required by that Agreement.

13. PROFIT SHARING

Transferred employees shall be eligible for the GM Profit Sharing Plan for the 1993 calendar year per the terms and conditions of the GM-UAW Profit Sharing Plan in effect for calendar year 1993. Buyer will provide that, effective January 1, 1994, all transferred employees shall be covered by the Buyer's profit sharing plan which will use the same formula as the GM Profit Sharing Plan applied to the Buyer business conditions for the duration of the 1993 GM-UAW Agreement.

14. TRAINING

- a. The Buyer will continue to participate in joint activities through the UAW-GM Human Resource Center in the same manner as provided prior to the Effective Date for the duration of the 1993 GM-UAW Agreement. This includes funding levels, the funding approval process, and full participation in jointly developed and negotiated programs.
- b. Buyer's Joint Program Representatives will be appointed by the Director of the UAW-General Motors Department for the duration of 1993 GM-UAW Agreement.
- c. Individuals who are performing activities for the UAW-GM HRC will continue to do so for the duration of the 1993 GM-UAW Agreement unless notified to the contrary by the Director of the UAW-GM Department.

15. NEW VEHICLE PURCHASE PROGRAM

Transferred employees will continue to be eligible under the GM New Vehicle Purchase Program, including the tagging/purchase of the PEP vehicles, in accordance with policies in effect for GM hourly employees, for the duration of the 1993 GM-UAW Agreement.

16. CESSATION OF BUSINESS

In the event that Buyer or its successor company has ceased doing business on or before September 14, 2001, it is agreed as follows:

- a. Transferred employees will be entitled to layoff available to laid-off GM employees under the GM-UAW National Agreement and Supplement Agreements. Further, any such benefits provided by GM shall be secondary to benefits provided by Buyer or its successor company.
- b. GM will provide the benefits and coverage's described in subsections © and (d) below, for eligible former AGT Hourly employees who are retired, or otherwise eligible to retire, from Buyer or its successor company at the time it ceases to do business, and who on the Effective/Transfer Date had age plus credited service equal to 55 or more.
- c. GM shall guarantee such eligible former AGT hourly employees described in subsection (b) above with post-retirement health care at the level and scope in effect at the time Buyer or its successor company ceased doing business. Further, any such coverage provided by GM shall be secondary to coverages, if any, provided by Buyer or its successor company. However, in no event shall GM provide health care coverage at a level and scope that exceeds that being provided to hourly retirees of GM.
- d. GM shall guarantee the level of basic life insurance coverage to employees described in subsection (b) above upon their retirement equal to the amount provided by Buyer or its successor company at the time it ceases doing business. However, in no event shall such coverage exceed that being provided to GM retirees under the GM Life and Disability Benefits Program. Further, such life insurance shall be subject to reduction in accordance with provisions of the plan in effect at the time business is ceased, but not below the level provided for under the GM Life and Disability Benefits Program based solely on GM credited service.
- e. GM will provide up to 5.0 years of credited service at the level and scope in effect at Buyer at the time Buyer or its successor company ceased doing business. Further, any such benefits provided by GM shall be secondary to benefits provided by Buyer or its successor company or the PBGC. However, in no event shall GM provide pension benefits on such credited service at a level and scope that exceeds that being provided to hourly retirees of GM.

17. OTHER

Eligibility for any GM employee benefit plan/program shall be determined solely by the written provisions of such plan/program.

It is understood that this Memorandum of Understanding is applicable solely to employees of the former Allison Gas Turbine Division, Indianapolis Plant, and is without prejudice to any future position that either GM or the UAW may take the respect to the extent of coverage provided in connection with the sale of a business as an ongoing operation.

Further, the parties agree that if unusual circumstances occur that were not contemplated at the time this Memorandum was negotiated and agreed upon, said parties may discuss and resolve such circumstance.

International Union, UAW

General Motors Corp.

Date: 3-3-97

Allison Engine Company

**VACATION REPLACEMENTS AND OTHER EMPLOYEES HIRED FOR
TEMPORARY WORK/ SPECIAL ASSIGNMENT--OVERTIME**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations the parties discussed the hiring of employees as vacation replacements and for other temporary work and agreed that employees hired for such work shall be employed in accordance with the following:

- A. An employee may be hired as a vacation replacement or to fill other job openings of a temporary nature.
- B. Vacation replacements may be employed under the provisions of this Memorandum commencing the second Monday in May each year and ending no later than 120 days thereafter. The utilization of vacation replacements and other employees hired for temporary work shall be discussed in advance with the Local JOBS Committee. Requests for vacation replacements and other employees hired for temporary work shall be made in writing to the Executive Review Board for approval.
- C. In the event of permanent job openings which involve the relocation of employees, the Executive Review Board may agree to hire temporary employees under the provisions of this Section to enable plants to operate effectively while permanent seniority employees are being identified or relocated at the new location.
- D. Time worked by a vacation replacement or other temporary employee who is hired pursuant to this Memorandum will not be included in the computation for acquiring seniority pursuant to Paragraph (57) and (58a).
- E. All other provisions of the national Agreement and its Exhibits shall apply to employees hired pursuant to this Memorandum.
- F. This procedure does not apply to permanent job openings.

G. The National Parties are authorized to make modifications and adjustments as necessary.

During current negotiations, discussions also occurred regarding the eligibility for overtime of employees working on temporary assignments in accordance with the above. The parties agreed that such employees are entitled to consideration for overtime scheduling as if they were entering the plant as a permanent employee.

The parties also agreed that eligibility for overtime consideration will be in accordance with the local administrative rules of the plant to which they are temporarily assigned and that the local parties cannot enter into any local agreement which would supersede this letter and/or the provisions of the Agreement.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (71)]
[See Memo-Overtime]

WORK ASSIGNMENTS - SKILLED TRADES

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these National Negotiations, the parties discussed at length the necessity for the Company to become competitive in all aspects of the business. Among the issues discussed were the existing skilled trades classification structure, work rules, and past practices.

With regard to the skilled trades classification structure, the Union expressed concern over basic skilled trades classifications being consolidated. The Company advised, however, that they intend to rely on the currently apprenticeable skilled trades classifications as the basis for our skilled classification structure moving forward. Competitive advantages of a review of skilled trades classifications at Rolls-Royce Allison must be weighed and determined by the local parties in view of all attendant circumstances at this location. Appropriate training plans necessary to accomplish any consolidations must be submitted in a timely manner for approval by the appropriate section of the International Union.

With regard to work rules and past practice, the Company stated that many plants feel hampered in their efforts to enhance competitiveness in today's environment by historically restrictive practices which originated at a time when competition was less threatening. Given recent improvements in the area of job security, the need for such stringent work rules and delineation of job responsibilities has been reduced.

Therefore, the National parties concur that Management and the Local Union should review existing work rules and practices, especially in the area of Lines of Demarcation, to insure that only those necessary to protect the safety of employees, the integrity of the basic trades, and the efficiency of operation in today's competitive environment are carried forward. Incidental, overlapping, and other minor access type work are encouraged and should be discussed and handled locally consistent with sound business judgment.

If either of the local parties feel that abuses of the spirit and intent of this document exist, they may request the issue be reviewed via plant entry by appropriate representatives of the Aerospace Department of the International Union, UAW and the Company.

Very truly yours,

Reeder Singler
Director, Human Resources

[See Par. (182)]

[See CSA #12]

EDS WORK ASSIGNMENTS

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Rolls-Royce Allison and Electronic Data Systems entered into a contractual agreement which defines the business relationship between the two entities. Under the terms of this agreement, EDS has assumed responsibility for the management, operation, provision and maintenance of computer and information processing services and communication services. EDS is an independent supplier to Rolls-Royce Allison. It is also the intent of the parties that the Rolls-Royce Allison User Organization continues to be the customer of EDS.

As such, it is of particular importance to bear in mind that EDS, under the terms of this business agreement, remains separate and distinct. It becomes, in part, our responsibility to offer assistance in the successful operation of this relationship. Specifically, this relates to our acknowledging the fact that EDS is not a party to our National and Local agreement with the Union representing Rolls-Royce Allison employees. EDS does recognize the historical nature of Rolls-Royce Allison job functions and agrees that those job functions associated with manufacturing processes, which have been historically performed by Rolls-Royce Allison hourly personnel, should continue to be performed by bargaining unit employees.

We can relate this to a case in point - the installation and maintenance of the new voice communication system. The role that EDS plays in this situation is the traditional role of the local telephone company. Structural preparation remains the responsibility of Rolls-Royce Allison and is most often accomplished utilizing bargaining unit employees. The other job functions associated with this voice communication system, in most cases, are not functions historically performed by our bargaining unit and are, therefore, the responsibility of EDS.

Also, our understanding concerning bargaining unit work does not limit the fulfillment of warranty obligations by vendors. Such warranty obligations and/or other work performed by employees of an outside contractor, including EDS employees will be handled pursuant to the provisions of the collective bargaining agreements pertaining to outside contracting, where applicable.

In summary, we have met with EDS to discuss our mutual concerns. We have arrived at an understanding assuring the continuation of historical practices as they relate to Rolls-Royce Allison job functions associated with manufacturing processes. We feel that this position is fair and will best accomplish our joint goals and recognizes the traditional role of bargaining unit employees.

As always, I appreciate your comments and suggestions. Please refer any questions to Labor Relations.

During the 1993 Negotiations, the Union raised several instances wherein they felt that EDS misapplied the concepts outlined in the above letter, oftentimes when there was a change in local Account Managers, and specifically with regard to the applicable notification requirements outlined in the subcontracting provisions of the Agreement. The Company observed that much of the work at issue is non-core in nature, but reiterated its intent to continue the concepts outlined above.

Furthermore, necessary arrangements will be made to review these concepts and contractual commitments with the Rolls-Royce Allison EDS Account Manager.

Very truly yours,

Reeder Singler
Director, Human Resources
[See Par. (183)]

EAP - EARLY INTERVENTION

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the current negotiations, the parties discussed and noted that in many instances the early indicators of an employee suffering from medical and personal problems such as those associated with substance abuse, for example, are manifested in disciplinary situations involving violations of the Shop Rules. In those initial stages it is generally the first line supervisor and the district committee person who are first exposed to the potential of such underlying causes behind employee behavioral problems.

Although the parties acknowledge Management's responsibility to maintain discipline and to invoke disciplinary measures where violations of the Shop Rules occur, it is also recognized that local management and union representatives at all levels are necessarily charged with the responsibility to exercise their best efforts toward the objective of early identification of employees whose behavioral problems may be linked to medical and personal causes and to strongly encourage them to seek assistance. In many cases this could be accomplished through referral to the local Employee Assistance Program Committee.

Very truly yours,

Reeder Singler
Director, Human Resources

[See Doc. 39]

[December 12, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During our discussions regarding the content of the new 1997 Allison/UAW National Agreement we found that several paragraphs and appendices of the 1993 GM/UAW National Agreement apply to situations pertaining to multiple bargaining unit locations. Since Allison Engine Company hourly employees are currently represented only by Local 933 of the UAW, those paragraphs are not applicable to our present circumstances and are not being included in the 1997 Allison/UAW National Agreement.

However, if these circumstances change in the future, we have agreed that the paragraphs and appendices listed below should be reviewed by the parties to determine their relevancy to the then existing circumstances.

Following are the applicable paragraphs, appendices and Documents which were not carried over from the 1993 GM/UAW National Agreement to the 1997 Allison/UAW National Agreement for the above stated reasons.

(96a)(1)	(96a)(3)	Appendix A
(96a)(1)(a)	(96a)(4)(a)	Appendix J
(96a)(1)(b)	(96a)(4)(b)	(6)(b)(5), reference to Appendix A
(96a)(1)(c)	(96a)(5)	Document 15
(96a)(2)	(96a)(6)	Document 23
(96a)(2)(a)	(99a)	
(96a)(2)(b)		

Sincerely,

B. D. Smith, Vice President
Human Resources

OVERTIME

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Acrospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the 2000 negotiations the parties discussed both the Union's and Management's concerns about the scheduling of overtime work in Rolls-Royce Allison.

On the one hand Management recognized the legitimacy of the Union's concern that production not be scheduled on a sustained basis on overtime rather than recalling laid off employees or hiring new employees. On the other hand, the Union recognized that the scheduling of overtime serves an essential purpose in many situations in order to meet temporary or seasonal increases in sales, at new model start-up, and to make up for production lost due to factors beyond the parties' control, such as interruptions in the supply of parts. Also the parties recognize the need for overtime on vital tooling and maintenance projects which often must be accomplished quickly on tight time schedules in order to avoid interruptions or delays in production and layoffs of production employees.

As a result of these discussions, the parties agreed to establish a procedure for regularly reviewing overtime work schedules. This review will be accomplished between representatives of Rolls-Royce Allison and the International Union, UAW. The review is intended to assure that overtime work is not scheduled at a plant on an ongoing basis in cases where there are practical and economical alternatives. The alternatives to overtime considered by the parties may include employment increases, innovative shift arrangements, or improvements or additions to the plant's equipment which could eliminate a bottleneck; or the parties may conclude that the reasons for the overtime are temporary or unavoidable and that there are no practical or economical alternatives.

The purpose of this review procedure is to assure a timely and thorough review of overtime work schedules and provide for a balanced consideration of the interests of both parties.

Very truly yours,

Reader Singler
Director, Human Resources

[Para. 71a]
[See Doc. 83]
[See CSA #11]

**JOBS PROGRAM
VOLUNTARY RETIREMENT LEAVES**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

This is to confirm our understanding that the Pre-Retirement Leave Program set forth in Document No. 117 in the National Agreement and as implemented in the March 25, 1991 implementation document, shall be renewed for the duration of the 2000 Collective Bargaining Agreement. *The renewal shall be on the same terms and conditions except that eligibility shall be limited to employees who would be eligible for a regular early retirement based on attaining 30 years of service within twenty-four (24) months of participating in a pre-retirement leave.* Upon attainment of 30 years of service, the participating employee will retire. The national parties are authorized to make jointly approved modifications to the program, as necessary.

Employees on pre-retirement leaves are considered to be Protected employees under the JOBS Program and will receive the same insurance benefits.

Very truly yours,

Reeder Singler
Director, Human Resources

**JOBS PROGRAM
ATTRITIONAL CREDIT-UNIQUE SITUATIONS**

February 26, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 E. Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During these negotiations, the parties agreed that the principle of replacing attrition as defined in Document 3 of this agreement will be continued. However, it was recognized that exceptions to this concept are appropriate in unusual situations. For example, if Rolls-Royce Allison has a large number of Protected employees who cannot be effectively utilized, yet more Protected employees would be required because of the attrition replacement concept embodied in the Agreement, it may be appropriate not to do so.

Accordingly, this will confirm our understanding that the national parties are specifically empowered to investigate unique situations and evaluate requests for full attritional credit, and implement mutually satisfactory adjustments to Document 3, Section II (N) (2).

Very truly yours,

Reeder Singler
Director, Human Resources

UAW-ROLLS-ROYCE ALLISON MEMORANDUM OF COMMITMENT TO PRODUCT QUALITY

During the past several years, the Company in cooperation with UAW leadership, together with the men and women of Rolls-Royce Allison, have worked together in a spirit of teamwork to improve product quality. This spirit of cooperation has resulted in substantial improvement in the quality of the Company's products and services.

Further, the parties recognize that the production of the highest quality, customer-valued products is essential to secure the Company's position in the market and assure job security. The Company stated that high quality products have to be the result of a total quality process if Allison is to continue to be the world leader in the production of gas turbine engines and components.

The Rolls-Royce Allison process for total quality management is the Quality Network -- the one process for total customer satisfaction and enthusiasm. Although Management has the ultimate responsibility for the Quality Network, it is recognized that UAW leaders and members are valuable partners in the development of the process, the action strategies, and its implementation plans.

Such participation is reflected in the extensive efforts both parties have devoted to the subject of quality, both on the national and local levels, exemplified by the institution of quality councils at the Company and Operations level. Further, the parties during discussion of this document have restated their commitment to the Quality Network process and to the successful implementation of this jointly developed quality strategy. This process includes continuously improving the quality of everything we do and eliminating waste in the manufacture of products and in services provided, and as a result, will serve to enhance the job security of all Rolls-Royce Allison employees.

It is recognized that the point where product design, technology, process and materials come together and must work in harmony is at the worker/supervisor level in the organization. High quality products result from a well managed process that motivates employees to work together within a spirit of teamwork to continuously improve customer satisfaction. In this process, it is recognized that seeking opportunities for continuously improving product quality must be the foundation for customer satisfaction. It is acknowledged that it is ultimately management's responsibility to establish and assure product quality requirements and provide the processes for continuous quality improvement that support all employees and are based on the Beliefs and Values.

It is recognized that performance of high quality work is everyone's responsibility, and as a result, it is intended that the Quality Network Representatives and UAW leadership working together with local management will reinforce other ongoing quality improvement activities.

Finally, the parties discussed the necessity for all Rolls-Royce Allison employees to take individual responsibility for product quality. Management's business planning process will include the necessity for providing employees with the appropriate training, methods and systems, materials, and equipment in an appropriate environment to perform their work. It is then incumbent upon employees to exercise diligence and properly perform their work to produce the highest quality, customer-valued products.

The general guidelines for the parties to provide additional support to employees in this quality improvement process are set forth in the letters dated February 26, 2000, and entitled "Quality Network" and "Product Quality", and published as Documents 40 and 41 respectively in this Agreement. It is only through personal commitment from every Rolls-Royce Allison employee to provide the highest quality, customer-valued products that we will satisfy our customers and maintain job security for all.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on February 26, 2000.

International Union, UAW

Rolls-Royce Allison

Stephen P. Yokich

Lee Rhyant

Ron Gertelfinger

Reeder Singler

Frank Musick

John Dearth

Mary K. Riordan

Cornell Brooks

Tom Ladd

Mick Nuckles

Jeff Denton

Steve Fitzpatrick

[See Doc. 40,41]

2000 Rolls-Royce Allison-UAW Contract Settlement Agreement

Agreement dated this 26th day of February, 2000 between Rolls-Royce Allison, hereinafter called the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, hereinafter called the Union.

The parties hereto agree as follows:

1. New National Agreement

A new National Agreement to be dated February 26, 2000 and to become effective as hereinafter provided in Paragraph 24 of this Agreement has been negotiated by the parties hereto and consists of the provisions of the National Agreement between the parties dated February 24, 1997 and the Memorandum of Understanding dated May 24, 1994 among the International Union, UAW, Allison Engine Company and the General Motors Corporation, except for the changes hereinafter noted.

2. National Agreement Paragraphs

A. The following paragraphs of the February 24, 1997 Agreement, as supplemented, shall be amended as initialed by the parties and attached hereto and shall be included in the new Agreement. In some cases the paragraph number was changed, as indicated in the following chart, but the intent was either unchanged or modified by mutual agreement and initialed by the parties.

Introduction	Checkoff form	(4)(o)	(15)	(22b)	(34)
Preface	(4h)	(4)(p)	(15a)	(22c)	(35)
Agreement	(4)(i)	(4)(q)	(15b)	(22d)	(36)
(1)	(4)(i)(1)	(4)(r)	(16)	(23)	(37)
(2)	(4)(i)(a)	(4)(s)	(16)chart	(23a)	(38)
(3)	(4)(i)(b)	(5)	(17)	(24)	(38)(1)
(4)	(4)(j)	(6)	(18)	(24a)	(38)(2)
(4)(a)	(4k)	(6a)	(19)	(25)	(38)(3)
(4)(b)	(4)(l)	(7)	(20)	(26)	(38)(4)
(4)(c)	(4)(l)(a)	(8)	(21)	(27)	(38)(4)(a)
(4)(d)	(4)(l)(b)	(9)	(21)(1)	(28)	(38)(4)(b)
(4)(e)	(4)(l)(c)	(10)	(21)(2)	(29)	(38)(4)(c)
(4)(f)	(4)(l)(d)	(11)	(21a)	(30)	(38)(4)(d)
(4)(g)	(4)(l)(e)	(12)	(21b)	(31)	(38)(4)(e)
(4)(g)(1)	(4)(m)	(13)	(22)	(32)	(38)(4)(f)
(4)(g)(2)	(4)(n)	(14)	(22a)	(33)	(39)

(40)	(61a)(2)	(73a)	(86)	(100)	(113a)
				(101)	
(41)	(61a)(3)	(73a)(1)	(87)	(101a)	(114)
(42)	(61a)(4)	(74)	(87)(1)	(101b)	(115)
(42a)	(61b)	(74a)	(87)(1)(A)	(101b)(1)	(116)
(42a)(1)	(61b)(1)	(75)	(87)(1)(B)	(101b)(2)	(117)
(42a)(2)	(61b)(2)	(76)	(87)(1)(C)	(101c)	(118)
(43)	(61b)(3)	(76a)	(87)(1)(D)	(101d)	(119)
(43a)	(61b)(3)(A)	(76b)	(87)(1)(E)	(101e)	(120)
(43)(b)(1)	(61b)(3)(B)	(76c)	(87)(1)(F)	(101f)	(121)
(43b)(1)(a)	(61b)(4)	(77)	(87)(2)	(101g)	(122)
(43b)(2)	(61b)(5)	(77a)	(88)	(101h)	(123)
(43b)(3)	(61b)(6)	(77b)	(89)	(101i)	(123a)
(44)	(61b)(7)	(77c)	(89a)	(101j)	(123b)(1)
(45)	(61c)	(77d)(1)	(90)	(101k)	(123b)(2)
(46)	(62)	(77d)(2)	(90)(1)	(102)	(123c)
(46)(1)	(63)	(77e)	(90)(2)	(102a)	(123d)(1)
(46a)	(63a)	(77f)	(90)(3)	(103)	(123d)(2)
(47)	(63b)	(78)	(90)(4)	(104)	(123d)(3)
(48)	(64)	(78a)	(91)	(105)	(123e)
(48)(1)	(64a)	(78b)	(91)(1)	(105a)	(123f)
(48)(2)	(64b)	(79)	(91)(2)	(106)	(123g)
(49)	(64c)	(79a)	(91)(3)	(107)	(123h)
(50)	(64d)	(79a)(1)	(91)(4)	(108)	(123i)
(50a)	(65)	(79a)(2)	(91)(5)	(109)	(123j)
(50b)	(65)(1)	(79b)	(91)(6)	(109a)	(123k)
(51)	(65)(2)	(79c)	(91a)	(110)	(123l)
(52)	(65)(3)	(79d)	(92)	(110a)	(124)
(53)	(66)	(79e)	(93)	(110b)	(125)
(54)	(67)	(79f)	(94)	(111)	(126)
(55)	(67)(1)	(79g)	(95)	(111a)	(127)
(56)	(67)(2)	(79h)	(96)	(111b)	(128)
(57)	(67a)	(79i)	(96a)	(111c)	(129)
(58)	(68)	(80)	(96b)	(112)	(130)
(58a)	(69a)	(81)	(97)	(112)(1)	(131)
(58a)(1)	(69b)	(82)	(98)	(112)(2)	(132)
(58a)(2)	(69c)	(83)	(98)(1)	(112)(3)	(133)
(58a)(3)	(70)	(84)	(98)(2)	(112a)	(134a)
(58a)(4)	(71)	(84a)	(98)(3)	(112b)	(134b)
(58a)(5)	(71a)	(84b)	(98)(4)	(112c)	(134c)(1)
(59)	(71a)(1)	(84c)	(98)(5)	(112d)	(134c)(2)
(60)	(71a)(2)	(85)	(98)(6)	(112d)(1)	(134d)
(61)	(71a)(3)	(85a)	(98a)	(112d)(2)	(135)
(61a)	(72)	(85b)	(98b)	(112d)(2)	(135a)

(61a)(1)	(73)	(85c)	(99)	(113)	(135b)
(135c)	(156)	(168)	(180d)	(196)	(209)(3)
(136)	(156a)	(169)	(181a)	(197)	(209)(4)
(137)	(156a)(1)	(170)	(181b)	(198)	(210)
(138)	(156a)(2)	(171)	(182a)	(199)	(211)
(139)	(156a)(3)	(171)(1)	(182b)	(200)	(212)
(140)	(156a)(4)	(171)(2)	(182c)	(201)	(213)
(141)	(157)	(171)(2)(a)	(182d)	(202)	(213a)
(141a)	(157a)	(171)(2)(b)	(183a)	(202a)	(213a)(1)
(141b)	(158)	(172)	(183b)	(202b)	(213a)(2)
(142)	(159)	(173)	(183c)	(202c)	(214)
(143)	(160)	(174)	(183d)	(202d)	(215)
(144)	(161)	(175)	(183e)	(203)	(216)
(145)	(161)(1)	(175)(1)	(183f)	(203)(1)	(217)
(146)	(161)(2)	(175)(2)	(184)	(203)(2)	(218a)
(147)	(161)(3)	(175)(3)	(185)	(203)(3)	(218b)
(148)	(161)(4)	(175)(4)	(186)	(203a)	(219)
(149)	(162)	(176)	(187)	(203b)	(220)
(149a)	(162)(1)	(176)(1)	(188)	(203c)	(221)
(149a)(1)	(162)(2)	(176)(2)	(189)	(204)	(222)
(149a)(2)	(162)(3)	(177)	(190)	(205)	(223)
(150)	(162)(4)	(178)	(191)	(206)	(224)
(151)	(163)	(178a)	(192)	(207)	(225)
(152)	(164)	(179)	(193)	(208)	(226)
(153)	(165)	(180a)	(194)	(209)	(227)
(154)	(166)	(180b)	(194a)	(209)(1)	
(155)	(167)	(180c)	(195)	(209)(2)	

B. The following paragraphs of the February 24, 1997 Agreement, as supplemented, shall be deleted from the new Agreement.

NONE

3. Documents, Memoranda and Appendices

A. The following are documents, memorandums of understanding and appendices of the February 24, 1997 Agreement, as supplemented, shall be amended as initiated by the parties and attached hereto and shall be included in the new Agreement.

1	Health and Safety
Att. A to 1	Health and Safety
2	Sourcing
Att. A to 2	Offset Requirements
Att. B to 2	Rolls Royce Work

3	Job Security
Att. A to 3	Special Programs
4	Joint Activities
5	Funding and Training
6	Joint Funding Guidelines
Att. A to 6	National Conferences
Att. B to 6	Diversity Training
7	National Training Center
8	Tuition Assistance Plan
Att. A to 8	Labor Studies
Att. B to 8	Scholarship for UAW Children
Att. C to 8	Retiree Tuition Assistance Plan
9	Skilled Trades Subcontracting
10	JOBS Program-Volume Layoffs-SEL
11	Full Utilization of Protected Employees
12	Voluntary Political Contributions
13	Plant Closing Moratorium
14	Skilled Trades Representation
15	Temporary Delay of Dues Checkoff
16	Purchasing Activity Communication
17	Exchange of Views
18	Para. 85a Interpretation
19	Delayed Starting Time on Sunday Night
20	Special Double Time Case
21	Special Protracted Work Case
22	Notice to Laid Off Employees of Recall
23	Relieving Employees for Committeeman
24	Representation During Management Meetings
25	ADAPT Process
26	Workplace Violence & Critical Incident Response
27	Drug Testing MOU
28	Federally Mandated Drug Testing
29	Personnel Practices
30	EEO Policy
31	EAP Committee
32	Employment of Handicapped
33	Employment of Disabled and Viet Nam Veterans
34	Review of Personnel Records
35	Selection of EITS
36	Paid Educational Leave
37	Work/Family Resource and Referral
38	Orientation Program
39	Employee Assistance Program
40	Quality Network
41	Product Quality

42	Supplier Corporate Citizenship
43	Career Development Program
44	Expeditious Grievance Handling--Allison to UAW
45	Expeditious Grievance Handling--UAW to Allison
46	Joint Program Representatives
47	Temporary Employees
48	Arbitration Letter
49	Management Representative In Disciplinary Interview
50	Holiday Pay and DLO
51	Collective Bargaining Agreement Training
52	Reinstatement of Grievances
53	Furnishing Work Elements-Standard Cases
54	POW/MIA Flags
55	Implementation of Production Standards Settlements
56	Relief Time--Certain Operations
57	QW Implement--Redeployment and Meaningful Work
58	Subcontracting Implementation
59	Coordination of Sourcing Evaluations
60	Pre-Apprentice Training
61	Apprentice Committee Members--Mgmt. Experience
62	Joint Activities
63	Job Security--Apprentice Training And J Development
64	Apprentice Work Assignments
65	Related Training Bonus
66	Layoffs--Apprentices and EIT's
67	Administration of Paragraph (178)
68	Transfers and Promotions--Suspension of Provisions
69	Federal Income Tax Withholding
70	Procedure to Correct Pay Shortages
71	Employee Social Security Numbers
72	Deductions to Recover Overpayments
73	Retiree Use of Fitness Center
74	Benefit Plans and Health and Safety Center
75	Facilities for Local Apprentice Committee
76	Furnishings for Benefit and H & S Centers
77	Local Union Presidents
78	Anticipated Termination of Sick Leaves
79	Change in Shift Hours or Lunch Periods
80	Management Health and Safety Roles/Responsibilities
81	UAW Health and Safety Reps. Roles/Responsibilities
82	Reduction in Exposure to Metal Removal Fluids
83	Overtime Policies
84	Weather Conditions
85	Innovative Wage Structures
86	Christmas Holiday Period

87	COLA Calculation
88	Car Discounts
89	Credit Toward SEL
90	Personal Privacy
91	Sale of Business
92	UP-front Lump Sum Payment
93	Bereavement Vacation With Pay
94	Holidays During Approved Vacation
95	Grievance Procedure
96	Cooling Off Period
97	Promotions- Paragraph (63)
98	Subcontracting Communications
99	Policy Regarding Sexual Harassment
100	Warranties
101	Educational and Career Counseling
102	TAP College Recognition
103	(Deleted)
104	Movement of Work--Advanced Notice
105	Independence Week
106	Skills Centers--Training in Plant
107	Training of Individuals With Disabilities
108	Child Care Program
109	Pre and Post Retirement Programs
110	GM, Allison, UAW MOU
111	Overtime for Vacation Replacements
112	Work Assignments Skilled Trades
113	EDS Work Assignments
114	EAP Early Intervention
115	Deleted Paragraphs
116	Overtime
117	JOBS Program--Voluntary Retirement Leaves
118	Attritional Credit - Unique Situations
119	Commitment to Product Quality

B. The following documents, memorandums of understanding and appendices of the February 24, 1997 Agreement, as supplemented, shall be deleted from the new Agreement.

103 UAW-Allison National Training Center

4. Personal Relief for Certain Employees

The policy pertaining to relief for employees at Rolls-Royce Allison is contained in Document 56 of the new National Agreement and states, in part:

"The relief time in Rolls-Royce Allison plants shall be twelve (12) minutes before lunch and twelve (12) minutes after lunch on a regular eight (8) hour shift, making a total of twenty-four (24) minutes. This will not affect relief allowance now in effect on certain operations due to environmental job conditions. The amount of such relief shall be modified accordingly for a shift other than a regular eight (8) hour shift. The Plant Management may, by mutual agreement with the Local Union, allocate the relief before and after lunch to not more than two (2) periods before lunch and two (2) periods after lunch.

"Sufficient labor will be provided to enable employees to obtain the above relief taking into consideration that the first hour at the start of the shift and the first one-half hour after lunch are not ordinarily required for relief except in emergencies."

5. Union Bulletin Boards and Publication Racks

The Union agrees to indemnify the Company against any and all actions, charges, claims, damages or losses of any kind or nature whatsoever resulting from, arising out of, based upon, or attributable to (1) any material posted or displayed on Union Bulletin boards bearing the written approval of the President of the Local Union or the Chairperson of the shop Committee, or (2) the display and/or distribution through the Union Publication Racks of publications of the local Union and International Union which have been certified to Management as official by the President of the Local Union, the Chairperson of the Shop Committee or the International Union Representative.

6. Indemnity Agreement

The Union agrees to enter into indemnity agreements with the Company and the Trustee of any Rolls-Royce Allison-UAW Supplemental Unemployment Benefit Plan whereby the Union indemnifies and protects the Company and the Trustee against liability arising from the check-off of Union membership dues and initiation fees from employees' wages or from any Regular Benefits received under the Rolls-Royce Allison-UAW Supplemental Unemployment Benefit Plan. Each of these agreements is to be similar in form and substance to the indemnity agreement executed by General Motors Corporation and the UAW in connection with the October 24, 1993 Agreement, with such changes as may be necessary to make them conform to the current understanding of the parties.

7. Miscellaneous Agreements

The miscellaneous Memoranda of Understanding and other Agreements between the Company and the Union, including the Memorandum of Understanding dated May 24, 1994, among the International Union, UAW, Allison Engine Company and the General Motors Corporations, are hereby reinstated to the extent applicable under their respective provisions and shall continue in effect for the life of the new Agreement.

8. Grievances Under Old Agreement

Grievances filed with Management prior to the effective date of the new Agreement, may be appealed to the Umpire and considered by him under the provisions of the February 24, 1997 Agreement as though that Agreement were in effect until the effective date of the new Agreement.

9. Local Agreements

It is agreed that any written local agreements, including but not limited to, the local wage agreement, local seniority agreement and local shift preference agreement, entered into by the Shop Committee and Local Management, currently in effect, shall continue as local agreements between the respective local Management and Shop Committee subject to their respective terminal provisions, if any, and subject to the provisions of the new Agreement, for the life of the new Agreement. Any local agreement without a termination clause shall terminate without further action by either party to such local agreement, with the effective termination of the new Agreement, and such local agreement shall not be terminated otherwise except as the parties to such local agreement may agree hereafter in writing.

10. Hiring Rates

An employee hired during the term of the 1993 Allison-UAW National Agreement who has not attained the maximum base rate of the job classification as of the effective date of the new Agreement shall progress to the maximum base rate of the job classification in accordance with the provisions of Paragraph (98) of the 1993 Allison-UAW National Agreement not including any amount that may be transferred from the Cost of Living Allowance pursuant to Paragraph (101)(g) of this Agreement.

The parties agreed that Paragraph (98) of the new Agreement is not intended to change any of the provisions or applications of local wage rules. However, where such wage rules are applied to employees who have not attained the maximum base rate of the job classification and who are covered by Paragraph (98), (98a), or (98b) of the new Agreement, the appropriate rate in Paragraph (98), (98a), or (98b) of the new Agreement will apply.

An employee, who has received the hire rate and rate progression set forth in Paragraph (98), (98a), or (98b) of the new Agreement and who, at the expiration of one hundred and fifty-six (156) weeks of employment, is assigned or continues to be assigned to a job classification that has an extended training period, but has not completed the required time in such classification to receive the maximum base rate, will continue at the current rate or the rate specified in the local wage agreement for time worked in such classification, whichever is higher. Thereafter, such employee will receive a rate in accordance with the provisions of the local wage agreement.

For the purpose of applying the provisions of Paragraph (98), (98a), or (98b) of the new Agreement to the administration of a "Levels of Learning" or "Pay for Knowledge" system, the "maximum base rate of the job classification" shall be the locally negotiated base rate for Level I.

In the event an employee is transferred to a level higher than Level I, the maximum base rate of the job classification will be the rate for the level to which the employee is assigned.

For the purpose of determining the respective rates specified in Paragraph (98), (98a), or (98b) of the new Agreement, the Engineering Method of Rounding specified in the current Reeder Singler letter regarding COLA-Calculations shall apply.

11. National Agreement Changes and/or Waivers

It is agreed that it may be beneficial for local unions and local managements to consider alternative work schedules and other changes at particular plant locations. It is further agreed that in order to facilitate and encourage such innovations, it may be necessary to change and/or waive certain provisions of the National Agreement at such plant locations. It is understood that any such change or waiver would not be effective unless approved in writing both by the Company and the International Union, and such changes would be effective only at the plant location(s) specifically designated.

12. Local Issues Strikes

The Company will waive the provisions of the National Agreement prohibiting the right to strike with respect to each plant in which the International Union, UAW, authorizes a strike arising out of current negotiations of local issues, demands and supplemental agreements for the duration of the continuance of such strike. At such plant, no such strike shall be authorized or called, however, without at least 5 working days prior written notice by the Union to the Company of the intention to authorize any such strike.

13. Related Supplemental Agreements

Modified supplemental agreements are agreed to as shown on the pages which are initialed by the parties.

An amended Supplemental Agreement covering Pension Plan, which will be designated as Exhibit A; an amended Supplemental Unemployment Benefit Plan, which will be designated as Exhibit D, and amended exhibit covering the agreed upon version of a "Profit Sharing Plan," to be designated as Exhibit F are agreed to and renewed and shall be the same as those dated February 24, 1997, except that they shall be revised as shown on the pages which are initialed by the parties, effective in accordance with and subject to the provisions of such pages.

14. Life and Disability Benefits Program and Health Care Program

2000 Supplemental Agreements covering Life and Disability Benefits Program, which will be designated as Exhibit B; and Health Care Program, which will be designated as Exhibit C, set forth in the pages which are initialed by the parties, are agreed to, effective in accordance with and subject to the provisions of such pages.

15. Personal Savings Plan

A 2000 Supplemental Agreement covering Personal Savings Plan, designated as Exhibit G, set forth in the pages which are initiated by the parties, is agreed to, effective in accordance with and subject to the provisions of such pages.

16. Exhibit B - Life and Disability Benefits program

Notwithstanding the provisions of Item 24 of this Contract settlement Agreement and the provisions of Paragraph (101) and (101)(a) of the new Agreement, those provisions of Exhibit B to the new Agreement shall have as their effective date the effective date of the new Agreement.

17. Company - Union Committee on Health Care Benefits

The Company - Union Committee on Health Care Benefits will engage in activities which have a high potential for cost savings while achieving the maximum level of health care coverage and services for the money spent for such protection. The Company shall pay the expenses incurred for such mutually agreed upon activities such as studies and use of consultants, where appropriate.

18. Funding: Health and Safety Activities

The Company and the appropriate section of the International Union will direct and support the joint health and safety activities at both the national and local level. These shall include health and safety training for all Rolls-Royce Allison UAW represented workers, pilot and research projects mutually agreed to by the parties and expenses associated with the purchase and installation of equipment to improve communication of health and safety information between the Company and the International Union. To assure adequate funding for these activities, the Company will make available funding at four (4) cents per hour worked. These funds will be accumulated by and coordinated administratively in the same manner as are Joint Training Funds in accordance with 2000 Document 7 (Funding Guidelines). In the event this Fund is depleted, subsequent funding for future reoccurring expenses, if approved, will be made available through Joint Training Funds.

It is agreed that the funding balance accrued in the Health and Safety Fund under the 1997 National Agreement (\$669,028.26 as of 10/31/99) will be carried forward under the New National Agreement. Subsequent to February 28, 2000 a final reconciliation and balancing of accounts, expenditures and commitments as of January 31, 2000 will occur. Thereafter, the remaining funds will be available for the Joint Committee on Health and Safety, subject to the approval of the Company and the appropriate department of the International Union.

19. Wages Earned Definition

For the purpose of this Agreement, monies distributed in the form of Profit Sharing, and Payments provided for in Paragraphs (101), (101a) and (101b) and Document 92, shall be considered wages earned.

20. Statement on Technological Progress

A statement, entitled "Statement on Technological Progress," as initiated by the parties, is attached here to and made a part thereof.

[See Statement on Technological Progress]

21. Apprentice Safety Training

During the 2000 negotiations the parties agreed to a revised Basic Safety Training Guide covering all approved Rolls-Royce Allison-UAW Apprentice Training schedules except design classifications which reads as follows:

"The approximately 80 hours of safety instruction provided for will be incorporated into the shop or related training schedules or a combination of both. The total shop training shall remain 7,328 hours and the total related training shall remain 576 hours. The portion of the 80 hours to be provided as shop training shall be subtracted from existing 'Optional Hours.' The portion of the 80 hours to be provided as related training shall be subtracted from 'Unassigned' related training hours.

"When the method of providing this safety training has been jointly established locally it shall be reviewed by the Local Apprentice Committee and the Local Joint Committee on Health and Safety and a copy of each revised schedule shall be forwarded to the appropriate section of the International Union for approval. The schedules revised in accordance with this agreement will be adopted for those apprentices presently in the training program to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice."

22. Group Legal Services Plan

A 2000 Supplemental Agreement covering Group Legal Services Plan, to be designated as Exhibit 1, set forth in pages initiated by the parties, is agreed to, effective in accordance with and subject to the provisions of such pages.

23. Paragraph 69-Supervisors Returning to the Bargaining Unit

During the 2000 negotiations, the parties revised the language of Paragraph 69 of the 1997 National Agreement. This revised language provides for hourly employees transferring to a salaried position after the effective date of the 2000 National Agreement to serve a one year probationary status and then make a formal decision to either retain the salaried position and sever all future return rights to the bargaining unit or return to hourly status. Salaried employees who had bargaining unit status and were transferred to a salaried supervisory position prior to the

effective date of this 2000 Agreement will be governed by the provisions of Paragraph 69 of the 1997 National Agreement with regard to their return to the bargaining unit.

24. Ratification and Effective Date

A. The new Agreement shall become effective on the first Monday following the date on which the Company receives satisfactory notice from the International Union that the new Agreement has been ratified by the Union membership provided that the Company receives said notice from the International Union on or before February 26, 2000.

B. No provision of the new Agreement shall be retroactive prior to the date such Agreement becomes effective, unless otherwise specifically stated therein.

25. Counterpart Signatures

The signatures hereon shall be applicable to each of the various written agreements to which each party has committed itself in the same manner as with the same effect as if physically subscribed thereon.

The parties hereto, each by its duly authorized officials and representatives hereby accept this Contract Settlement Agreement and each and all terms and conditions thereof.

INTERNATIONAL UNION, UAW

ROLLS-ROYCE ALLISON

Stephen P. Yokich

Lee Rhyant

Ron Getwellinger

Reeder Singler

Frank Musick

John Deane

Mary K. Riordan

Cornell Brooks

Tom Ladd

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

Date _____

Date _____

STATEMENT ON TECHNOLOGICAL PROGRESS

During negotiations the International Union has claimed that certain work which is performed at some plant locations where the UAW is the certified bargaining representative of certain employees has been improperly assigned to non-represented employees of Rolls-Royce Allison.

The Company is mindful of the Union's concern regarding the scope and work content of job classifications of employees in the UAW bargaining unit and how such may be affected by advancing technology. Accordingly, the Rolls-Royce Allison-UAW Skilled Trades and Apprentice Committee will meet periodically to discuss matters concerning new or advanced technology that cannot be resolved locally and are referred to it by local unions or local managements as well as claims of erosion of the bargaining unit.

Since the first National Agreement of June 24, 1940, many necessary changes in methods and processes have had an impact upon the scope and work content of job classifications of both represented and non-represented employees.

Advancing technology has created, and will continue to create, new and more complex problems bearing upon the work content of job classifications of employees represented by the Union.

It is not the Company's policy to assign to non-represented employees work which comes within the scope and content of that normally assigned to represented employees at a particular plant location. The Company recognizes that mere novelty or the sophistication of new technology alone is not grounds for withdrawing work from represented employees. Similarly, the Company does not believe that the perimeters of the bargaining unit at a particular plant location should be expanded simply by the introduction of new technology.

It is recognized that advances in technology may alter, modify or otherwise change the job responsibilities of represented employees at plant locations and that a change in the means, method or process of performing a work function including the introduction of computers, energy management systems, modem, art to part, tool cutting paths and fiber optics or other new or advanced technology will not serve to shift the work function from represented to non-represented employees. Therefore,

1. Where a work function at a plant location preceded the certification of the Union, the work function will be assigned as it was assigned at the time of certification, unless there has been a written agreement otherwise.

2. Where a work function was introduced at a plant location following the certification of the Union, the work function will be assigned as it was originally assigned, unless there has been a written agreement otherwise.

The Company and the International Union are in agreement that the assignment of represented or non-represented employees depends upon the work function involved and not necessarily upon the work tasks required to accomplish such work function.

Notice and Discussion

The Company agrees to advanced written notification to local unions at locations planning the introduction of new or advanced technology so as to permit meaningful discussion of its impact, if any, upon skilled or non-skilled employees.

The Management will describe for the Shop Committee the extent to which such technological changes may affect the work performed by represented employees at the plant location involved. The Chairperson of the Shop Committee and the International Union will be provided a written description of the technology involved, the equipment being introduced, its intended use and the anticipated installation date(s). During the discussions the Chairperson of the Shop Committee may include other Local Union representatives such as the Health and Safety Representative, a representative from the Local Joint Skill Development and Training Committee, a member of the Local Apprentice Committee, or other employees, as necessary, in order to review the various matters of concern relative to the introduction of the new technology involved. Accordingly, the parties agreed upon the following examples of situations where notification should be given:

- A) The first introduction of a technology as compared to previously existing plant technology.
- B) Introduction of a new, more advanced generation of existing technology having a significantly different impact on the bargaining unit.
- C) Introduction of a new application of existing technology which has a significantly different impact on the bargaining unit.

The parties also highlighted that the National Agreement provides for notification to take place as far in advance of implementation of the technological change as is practicable. This is not only to enable the Shop Committee to discuss the impact such introduction of technology has on the bargaining unit, but also to discuss timely implementation of employee training to prepare them to perform their appropriate functions.

Training

The Union has also voiced concern about the possibility that new, technologically impacted bargaining unit work will not be awarded to represented employees because they are insufficiently trained to perform it. In view of the parties' interest in affording maximum opportunity for employees to progress with advancing technology, as part of the advanced discussion, the parties shall seek to identify appropriate specialized training programs so that employees will be capable of performing new or changed work normally performed by represented personnel.

Dispute Resolution

The following paragraphs set forth a means of resolving disputes concerning particular problems occasioned by advancing technology.

Where the initial introduction of new or advanced technology at a plant location occasions a question of whether:

- 1) certain new work should be assigned to represented employees,
- 2) affects the job responsibilities of represented employees, or
- 3) otherwise impacts the scope of the bargaining unit,

Management and the Shop Committee will attempt to resolve the matter without resorting to the grievance procedure. Management will cooperate in the Shop Committee's investigation and evaluation of impact issues raised due to the introduction of new or advanced technology. Comments by the Shop Committee will be carefully evaluated by the Management in accordance with the Company's policy relative to the assignment of work which comes within the scope and content of that normally assigned to represented employees at the plant location. If the issue remains unresolved, it may be introduced into the second step of the grievance procedure as provided in Paragraph (31) of the National Agreement.

Settlements made by the local parties concerning the assignment of work functions as between represented and non-represented employees in relation to the new or advanced technology discussed will be forwarded to the International Union and will be reviewed by the **Rolls-Royce Allison-UAW Skilled Trades & Apprenice Committee** within thirty (30) days of receipt of the settlement. In the event either the Company or the International Union does not approve the settlement following the review by the National Committee, the subject matter in dispute will be referred to the Management-Shop Committee Step of the Grievance Procedure and processed in accordance with the applicable provisions of the Grievance Procedure.

[See CSA #20]

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpts From The Minutes Of The EAP Subcommittee

During the course of the current negotiations, the parties discussed numerous issues and concerns relating to the administration of the EAP as follows:

- EAP Representative professional development
- Training Needs
- Program Promotion
- Lending Libraries
- Self Assessment Completion Requirements
- EAP Representative Role in Follow-up
- Data Collection and Analysis Process
- Outreach Programs

It was agreed that, in light of the parties' comprehensive audit of the EAP process currently underway, upon the completion of such audit the parties will discuss the recommendations contained therein and take appropriate action.

Moreover, the Local EAP Team will be responsible for monitoring and administering ongoing training for newly hired employees or as employees assume new leadership roles.

The parties discussed at length the Union's concern relative to the consistent application of drug testing guidelines developed under the 1993 Agreement including:

- MRO training.
- Drug testing guideline training.
- Date selection for scheduled unannounced testing for employees who test positive upon return from a substance abuse related sick leave.
- Need for an audit of Rolls-Royce Allison drug testing procedures.

Management advised the Union that MRO and drug testing guideline training would be provided to Labor Relations and other professional medical personnel, as appropriate, and that a common process for determining drug test dates would be developed.

Furthermore, the parties discussed the application of the "falling rate theory of marijuana" in circumstances in which an employee is subject to drug testing and has established a positive baseline test for marijuana through a NIDA certified lab using Gas Chromatography/Mass Spectrometry and is thereafter subject to further testing and again tests positive.

In such a case, Rolls-Royce Allison reaffirmed the applicability of the falling rate theory before indicating a positive test for that substance.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpt From The Minutes Of The TAP Subcommittee

During the recent negotiations, the parties discussed the desirability of having the American Council on Education (ACE) benchmark the schools and courses included in the present UAW-Rolls-Royce Allison Tuition Assistance Program (TAP). The purpose of such a review will be to aid in determining whether the parties are providing the most effective program for UAW represented Rolls-Royce Allison employees.

In this regard the parties have agreed that after the close of these negotiations, a review of the services offered by the American Council on Education (ACE) will be conducted by the Local Joint Training Committee. The results of the review and recommendations will be taken to the Key 4 for approval, subject to final approval by the appropriate section of the International Union.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Mr. Ron Gertelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gertelfinger,

Subject: Excerpt For The Minutes Of The Pre-post Retirement Subcommittee

During the current negotiations, the UAW requested that when Rolls-Royce Allison-UAW represented employees are designated to conduct local pre/post-retirement programs that they be paid from local joint funds at their current rate for all time spent in the preparation and delivery of all pre/post-retirement training classes, facilitator training activities, conferences, etc. during and after working hours.

Management responded that in situations where at the direction of the Local Joint Activities Committee, individuals are assigned to conduct a Pre/Post-Retirement Training Program activity that under current funding guidelines, trainer wages are an appropriate expenditure consistent with UAW-Rolls-Royce Allison Funding Guidelines. Additionally, the Union raised the issue that on occasion adequate facilities were not provided for the preparation of the Pre/Post-Retirement Program. In those instances that are brought to the attention of the Local Joint Activities Committee they will work together to resolve this matter.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpt From The Minutes Of The Skilled Trades/Apprentice Subcommittee

During the 2000 Negotiations the parties discussed extensively the need for continued emphasis on both fundamental skills and advanced technology training for our skilled trades workforce. In support of this initiative, the Rolls-Royce Allison - UAW Skilled Trades and Apprentice Committee will receive favorable consideration to its mutually agreed upon requests for the use of Joint Funds for such purposes.

At the current time the parties have discussed using Joint Funds for the following:

- Expenses associated with the establishment of a joint committee, appointed by the Company and the appropriate section of the International Union, for the purpose of reviewing current apprentice training schedules of selected classifications and making recommendations, where necessary, to revise and implement modifications to such schedules that have been impacted significantly by technological advancement.
- Expenses associated with an appropriate apprentice conference for the purpose of educating/updating Local Apprentice Committees on revisions to the Standard Apprentice Plan, including the Selection Process, Program Administration and Standardized Shop Related Training Schedules.
- Expenses associated with the establishment of a joint technology committee as discussed by the National parties.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpts From Minutes Of Training Subcommittee

- It was agreed Rolls-Royce Allison Key 4 meetings will be scheduled to discuss items such as:
 - Training objectives
 - Specific problems
 - New product training involving UAW represented employees including the role of outside vendors contracted to support such training
 - How to best work together for successful new product introductions
 - Mutual understandings and commitments to work cooperatively in the joint process

In line with the spirit and intent of the Memorandum of Understanding - Joint Skill Development and Training.

Any circumstances or issues that may arise which cannot be addressed by the local parties should be brought to the attention of the Joint Skill Development and Training Committee.

The parties discussed the issues of technical training and training course evaluation that apply to UAW - represented Rolls-Royce Allison employees. In this regard, it was mutually agreed that the Joint Skill Development and Training Committee would be responsible for addressing the following issues.

- Improving technical training processes and methods.
- Evaluation of internal/external courses prior to insertion on the Common Training Information System (CITS).

- The parties discussed the use of electronic bulletin board and the world wide web site to provide training information and two way communication to Human Resource Development Representatives (HRD's), Joint Training Representatives (JRT's), and Joint Activity Representatives (JAR's). The parties agreed to continue to evaluate the feasibility of implementing this system.
- The parties agree that the pursuit of ACE-PONSI credit recommendations for SHR courses will continue to be an ongoing process. At the present time, the parties anticipate that several UAW/GM CHR course will be scheduled for ACE-PONSI review within six months. To the extent such credit recommendations can be made applicable to UAW/Rolls-Royce Allison joint training programs, the parties will pursue such accreditation.
- Appointed Document 46 HRD's, JRT's, and JAR's will be required to complete a curriculum within three years after the effective date of the Agreement or three years from their appointment, whichever is first. Certification will be granted upon completion of the curriculum. This curriculum could be developed in conjunction with colleges and universities or developed by utilizing existing CHR courses or a combination of both.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpt For The Minutes Of The Apprentice Subcommittee

During the 2000 negotiations the parties agreed to a Planned/Predictive Maintenance Training Guide covering all approved Rolls-Royce Allison - UAW Apprentice Training schedules except design and engineering classifications which reads as follows:

"The 104 hours of Planned/Predicative Maintenance technologies instruction provided for will be incorporated into the shop or related schedules or a combination of both. The total shop training shall remain 7,328 hours and the total related training shall remain 576 hours. The portion of the 104 hours to be provided as shop training shall be subtracted from existing 'Optional Hours'. The portion of the 104 hours to be provided as related training shall be subtracted from 'Unassigned' related training hours."

"When the method of providing the applicable maintenance technologies training has been jointly established locally it shall be reviewed by the Local Apprentice Committee and a copy of each revised schedule shall be forwarded to the appropriate section of the International Union for approval. The schedules revised in accordance with this agreement will be adopted for those apprentices presently in the training program to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice."

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpts From The Minutes Of The Promotions And Overtime Subcommittee

During the current negotiations, the parties discussed the situation that may occur when an employee, for reasons of discharge, contractual release or voluntary quit, does not have plant security at the end of the vacation entitlement eligibility year.

In some circumstances a discharged employee's seniority and/or vacation entitlement may be impacted by the settlement of an associated grievance.

The parties agreed that if an employee's seniority and/or lost wages are reinstated by a grievance settlement, the employee will be eligible for all vacation entitlement earned during the affected period. Plant Management will notify the Rolls-Royce Allison Payroll Department of any relevant situations.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: *Excerpt From The Minutes Of The Skilled Trades Subcommittee*

- *The parties agreed to jointly pursue the understanding /resolution of issues involving and changes to federal, state or local ordinances with regard to licensing or certification of skilled trades employees. Currently, the local Management is empowered to reimburse skilled trades employees for any fees associated with licenses required to perform tasks normally and historically assigned to them at the plant.*
- *It was understood between the parties that Training Guides developed for Health and Safety and Planned /Predictive Maintenance Technologies, for application to approved Rolls-Royce Allison – UAW Apprentice Training Schedules is to be under the direction of, and approved by, the appropriate section of the International Union.*

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpt From The Minutes Of The Funding Committee

- Supplemental Training Fund

It was agreed:

- UAW- Rolls-Royce Allison funding guidelines will be revised to reflect that Supplemental Training Fund requests will include a commitment to training of plant resources.
- In addition to the above, plant budgeted training will continue to be a factor when making decisions on supplemental training fund requests.
- The company should make every effort to provide meaningful advanced discussion of any contemplated decisions; e.g., decisions to sell or close plants, which may adversely impact the training for which supplemental training funds are being sought.
- The parties recognize the need to update the funding guidelines so that the local parties may make local joint fund expenditures consistent with such guidelines without having to first seek advance approval. The expenditures to be addressed should include but are not limited to:
 - a. Travel and travel related expenses to attend joint conferences and/or meetings
 - b. Attendance of courses
 - c. Books and supplies up to a pre-determined level.
- Within six (6) months following the ratification of the National Agreement, the parties will jointly revise the funding guidelines which will be communicated in the funding shop.
- Joint Funds Account Balances Report(s)
 - The company agrees to provide the union, for viewing purposes, electronic access to Plan A and Plan C funds adjusted balances. In this regard, the Corporation will develop the necessary account structure(s) to accommodate such viewing.
- Skill Centers-Training In Plant

- Upon approval if the appropriate section of the International Union, Skill Centers will be fully supported from funds allocated as Plant Funds – A.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Relationship With UAW

During current negotiations, the Union has clearly stated it's view that Rolls-Royce Allison needs to relate positively to the UAW as a total institution. The Union also urged the Company to understand the concerns of the entire UAW community.

In this regard, the Company acknowledged the significant contributions the Union and its members have made to Rolls-Royce Allison's past successes and the crucial role they play in its future well being. The Company likewise affirmed its intention to match those contributions with a commitment to its own to acknowledge the institutional interests of the UAW.

By way of example, concerning the large number of companies with which Rolls-Royce Allison does business either as a customer or a supplier, or both, which are UAW represented, it was agreed that it would not be in either parties best interest to reach an agreement which discriminates against these companies or their employees.

It was also agreed that the Company will, when requested by the Union, inform companies involved in UAW organizing campaigns of the positive aspects of its relationship with the UAW and the importance to Rolls-Royce Allison of utilizing suppliers who maintain equally positive relationships with their employees. Of courses, the commitments if the Company and Union in these regards will be implemented within the bounds of applicable legal principles.

If, during the course of the present agreement, there are any matters that affect the welfare and interests of the UAW as an institution, be assured the Company will be fully receptive to having these matters brought to our attention. Your concerns are our concerns and they will receive our full and prompt attention.

Very Truly Yours,

Roeder C. Singler
Director, Human Resources

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Updates of Personal Data

During these negotiations, the Union expressed concern with the process by which information is given to Financial Secretaries concerning updates of personal data on members whose status or information has changed.

This will confirm that representatives of the Company will continue to work with representatives from the Local and International Union to identify alternative mean for transmitting, in accordance with legal requirements and limitations, the information in a more usable format for the local Financial Secretaries' data processing requirements.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

During the current negotiations, the parties discussed the issue of diversity and their joint commitment to the development of an appropriate training program to facilitate UAW – Rolls-Royce Allison diversity training initiatives for the workforce.

The Company and International Union, UAW are committed to a process that creates and maintains an environment that naturally enables the parties to contribute to the overall success of Rolls-Royce Allison and to the job security of UAW represented employees. By diversity, we mean much more than race and gender. Diversity also includes such factors as family status, military service, ethnicity, religious beliefs, education, age, and physical disabilities. Working with others of different backgrounds and perspectives helps us learn that diversity is a competitive advantage which incorporates the contributions of a multi-race, multi-ethnic, multi-cultural workforce.

Our challenge is to create a work environment free of hostility, cultural and physical insensitivity and discrimination and Rolls-Royce Allison and UAW – represented employees win in the global marketplace.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Baseline Secured Employment Level Adjustments

This will confirm the agreement of the parties that the Baseline Secured Employment Level for the SEL as set forth in Document 3, Memorandum of Understanding, Job Security Program to the UAW-Rolls-Royce Allison Agreement are subject to adjustment to reflect special situation by written agreement between the Company and the International Union.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

During the current negotiations, the Parties agreed that modifications to the Employee Placement System and the SEL Reporting System are necessary for proper administration of the National Agreement. In addition, it is necessary to develop a system to track the sourcing impact on employment.

The Parties further discussed the need to provide access to these systems by the International UAW Representatives.

Expenses associated with these systems (i.e. software, hardware) will be jointly submitted to the Company and the International Union for their approval.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Job Security Program(s) - Appeals to the National Parties

During these negotiations, the parties discussed procedural requirements for submission of unresolved local issues (Document 3) to the Company and the International Union. To assist in providing timely resolution of issues and responses to appeals, it is agreed that the local parties are required to follow these established procedures:

- The JOBS Committee is obligated to review all complaints regarding the administration of the program.
- The Agreement provides that the national parties will limit their review of complaints to those raised, in writing, within 60 days of the SEL Evaluation Date unless the time limit is waived by the Company and the International Union, or other event giving rise to the complaint.
- Local management will provide its written position within ten (10) working days of receipt of a written appeal from the local union.
- The local union shall, within ten (10) working days of receipt of the Company position, give written notice that the matter will be appealed to the Company and the International Union.
- Appeals should be jointly submitted and clearly state the position of both of the parties. The appeal must be signed by both chairpersons of the JOBS Committee as an acknowledgement that the issue was discussed locally.
- Complaints received from only one side - Company or Union - are not considered joint appeals. These unilateral complaints may be returned to the sending party by their respective national staff for consideration by the other local party.
- Copies of completed appeals should be forwarded simultaneously to both the Company and the International Union.

- Appeals shall be promptly reviewed by the national parties. The local parties will be advised in writing, within thirty (30) working days following disposition of the matter by the national parties. The JOBS Committee will also be advised if the national parties are unable to reach consensus.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25,2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Stimulating the sales of Rolls-Royce Allison products is a major interest of both Rolls-Royce Allison and the UAW. Involving bargaining unit employees in the marketing of our products and interfacing with our customers can prove to be beneficial to everyone involved. Therefore, the parties will jointly investigate methods by which Rolls-Royce Allison / UAW represented employees may become more involved with our customers and with the marketing of our products, where it is appropriate to do so.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25,2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpt From The Minutes Quality Network

During these negotiations, the Union discussed at length concern that management representatives assigned to Quality Network responsibilities have, in some cases, not been given appropriate authority and/or necessary time to perform their required joint tasks. Management assured the Union that when those circumstances arise and cannot be resolved by the Quality Council, the UAW representatives may arise the issue with the company Executive Director for Quality Network activities who will discuss the situation with the appropriate management leadership for resolution.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

During recent negotiations, the International Union, UAW, requested that the Company clarify its position regarding sexual orientation.

In Rolls-Royce Allison, we have had an on going commitment to maintenance of a workplace that is challenging and productive for all employees. Our focus also is to treat all employees equitably and not to allow discrimination of any kind within our facilities. This letter is to assure you that the Company has policies in place that prohibit discrimination in employment in the basis of sexual orientation.

Rolls-Royce Allison's long standing policy statement covering Equal Employment Opportunity reads as follows:

"The policy of Rolls-Royce Allison is to extend employment opportunities to qualified applicants and employees on an equal basis regardless of an individual's age, race, color, sex, religion, or national origin.

"Hiring and employment practice and procedures implementing this policy are the responsibility of the employing units. However, these practices, procedures and decisions are to be, at all times, in conformity with the Company's Equal Opportunity Employment Policy."

In summary, Rolls-Royce Allison's policy on Equal Opportunity Employment requires that we treat all people with dignity and respect and prohibits discrimination of any kind, including discrimination based on sexual orientation.

All employees are expected to deal fairly and honesty with one another to ensure work environment free of intimidation and harassment. Abuse of the dignity of anyone through slurs or other derogatory or objectionable conduct, including that based on sexual orientation, is offensive employee behavior and has no place in Rolls-Royce Allison. Additionally, any claim of harassment having its basis as sexual orientation may be taken up as a grievance under the appropriate provisions of the Rolls-Royce Allison ~ UAW National Agreement.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: TAP Benefits - Onsite Facility or Local Union Hall

During the 2000 Negotiations, the parties discussed the applicability of Tuition Assistance benefits as they pertain to training or educational courses taught by qualified educational provider on site at our plant facility or at the local union hall. In this regard the parties agreed that TAP benefits for such training would be approved under the following conditions:

- The training in question would, under normal circumstances, be eligible for TAP participation if conducted by a recognized educational provider at some other facility.
- The cost for such training will not exceed costs associated with similar training at a recognized educational facility such as a nearby public institution.
- Written requests for approval of TAP benefit utilization will be made in accordance to the Key 4 by appropriate local management and union representatives before training or classes are conducted and training will not commence until approval is given.

The information will be jointly communicated to the local parties shortly following the conclusion of the negotiations.

Very Truly Yours,

Roeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpt From The Minutes of The Skilled Trades Subcommittee

During the 2000 Negotiations, the parties discussed the fact that the GM-UAW Skilled Trades and Apprentice Committee has committed to prepare an "Outside Contracting Checklist" for use by GM/UAW locations during discussions of potential outside contracts for the performance of skilled maintenance and construction work.

The "Checklist" will include the relevant considerations to be reviewed by local parties, as outlined in the applicable provisions of the 1997 GM-UAW National Agreements, during the advance discussions of such contemplated outside contracting.

Once the "Checklist" is completed, Rolls-Royce Allison Labor Relations Staff and the Shop Committee will review the "Checklist" to determine its applicability for use during our discussion of contemplated outside contracting issues and modify the form where necessary to improve its usefulness at Rolls-Royce Allison.

Very Truly Yours,

Reeder C. Singier
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

During these negotiations the parties discussed the application of the Memorandum of Understanding Joint Skill Development and Training and the Memorandum of Understanding Human Resources Development. While there is not disagreement with the focus of these memoranda, the subjects are primarily concerned with studies and activities which are being pursued by the International Union and General Motors at the national level. The parties agree that the UAW/Allison Joint Activity Committee will monitor the activities relating to these subjects and adopt and implement those features which are applicable to our operations.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

During the 2000 Negotiations, the parties discussed the concept of Transition Centers. These centers and their corresponding programs are made available to employees who are affected by a plant closing or a reduction in the workforce where recall is unlikely.

The parties have agreed that should a large number of employees be impacted by a plant closing or workforce reduction, with little chance of recall, a plan will be put in place to provide programs focused on Basic Skill Enhancement, College/Vocational Skill Enhancement, Financial Planning, Pre/Post Retirement, Employability Skills and Layoff Services.

At such time as this, should such programs become necessary, a joint team would be formed comprised of Local Management, Local Union Representatives, and the International UAW to develop a plan for implementation.

Costs for these programs will be provided through government funding, if available, and/or Joint Funds where appropriate.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Subject: Excerpts From The Minutes of The Subcommittee on Document 91/Sale of The
Business

During the current National negotiations the parties discussed the application of Document 91, Sale of the Business to the Allison Engine Repair Operation (AERO), and Rolls Royce Power Parts.

The parties have agreed that should AERO be sold during the term of the 2000 Rolls- Royce Allison/UAW agreement and the buyer of the operation leave it within the Indianapolis area, then the terms of the 2000 Rolls-Royce Allison/UAW agreement would be applicable to the operation under its new ownership.

The parties have further agreed that should AERO be sold during the term of the 2000 Rolls- Royce Allison/UAW agreement and the buyer of the operation relocated the business outside of the Indianapolis area, then the provisions of Document 91, Sale of the Business, would not apply.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

July 29, 1999

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger,

Per your request, the Lump Sum Bonus provided for in Paragraph 101 of our Agreement negotiated today will be paid upon ratification of said Agreement. It is understood there will be no Lump Sum Bonus paid upon the effective date of the Agreement.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

Part of K#4116

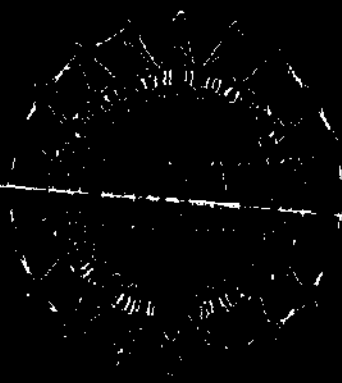
EXHIBIT

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Part of
K # 4116

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**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

LOCAL SENIORITY AGREEMENT

(Paragraph 59 of the National Agreement)

This agreement entered into this 26th day of February, 2000, is between Rolls-Royce Allison and Local 933, UAW, and is for the purpose of establishing local rules on seniority in accordance with the Seniority Section of the National Agreement for all employees represented by the UAW at this Company. All provisions of this agreement are applicable only to the employee's record subsequent to his or her current seniority date.

This agreement supersedes all prior seniority agreements and supplements thereto, and it is understood that no provisions of this agreement supersede or conflict with the National Agreement between Rolls-Royce Allison and the UAW.

I. ACQUIRING SENIORITY

A. Plants Wide

1. Employees may acquire seniority in accordance with the Acquiring Seniority section (Paragraphs 56, 57 and 58) of the National Agreement.
2. When employees acquire seniority, their names shall be placed on the seniority list in the occupational group to which they are assigned.

B. Occupational Groups

1. Seniority shall be by the non-interchangeable occupational group and the clearing group as listed in Appendix "A" of this Local Seniority Agreement.
 - a. An employee transferring from the clearing group to the non-interchangeable occupational group to a classification not previously satisfactorily performed will retain seniority in the clearing group for thirty (30) days.
 - b. Any employee transferred from one classification to another within the non-interchangeable occupational group shall establish seniority immediately.
2. Each skilled trades classification shall be a non-interchangeable occupational group as listed in Appendix "A" of this Local Seniority Agreement.

II. GENERAL PROVISIONS

- A. The seniority of those employees having the same seniority date shall be determined by the first letter of their last name at the time of their original date of hire. The employee whose last name begins with the letter closest to "A" shall have the greatest seniority.
- B. Any transfer or recall from layoff under the provisions of this Agreement will be made only if the employee is capable of doing the job available.
- C. The phrase "original classification" as used in this Agreement shall mean the classification last held by an employee in a non-interchangeable occupational group in which the employee had seniority at the beginning of the application of the Reduction Procedure.
- D. The phrase "permanently laid off" as used in this Agreement shall mean a layoff, other than a temporary layoff, which results in an employee not working in the plant.
- E. An employee reduced from a classification in the non-interchangeable occupational group, other than for incapability, shall acquire a recall right to that classification by applying in the Personnel Department for such rights at least three (3) weeks prior to being recalled to the classification and shall retain such recall rights until transferred to a higher paying classification.
- F. An employee who has seniority and who is assigned to a skilled trades classification from a classification in the non-interchangeable occupational group will, in the event of reduction from skilled trades, be transferred to the classification from which the employee was transferred, seniority permitting. This does not preclude an employee exercising his or her rights under Paragraph (70) of the National Agreement.
- G. Any seniority employee on layoff, who has seniority recall rights only to the clearing group, shall be given the opportunity to be recalled to an opening in the non-interchangeable occupational group in line with the employee's seniority, after all employees having seniority recall rights have been recalled, and before any new employees are hired. If the laid off employee refuses the offer, the employee will be recalled to the clearing group in line with the employee's seniority.
- H. In the application of the Workforce Adjustment Section, the Temporary Layoff Section, and adjustments within classifications across shifts, an employee designated Leader shall exercise his seniority rights within the group he or she leads.
- I. In the event of a departmental reduction which does not involve a permanent layoff, as specified in this section, adjustments within classifications across shifts within the various departments will be made on a seniority basis.
- J. Employees transferred to a non-Supervisory salaried assignment from the bargaining unit will be handled in accordance with Paragraph (69) of the National Agreement.

III. Temporary Layoffs

- A. Temporary layoffs are layoffs for any of the following reasons:
 1. Plant rearrangements.
 2. Inventory.
 3. Shortage of materials, breakdown of machinery and/or equipment.
 4. *For any other reason known at the time of layoff to be temporary.*
- B. For a period not exceeding twenty-one (21) working days, the work force in the affected equalization groups may be adjusted to existing needs on the basis of seniority status in the classification, by department, by equalization group, by shift. Employees in the affected equalization group(s) with less than one year of plant seniority may be laid off first on the basis of their seniority status in the classification, i.e., the youngest first. The application provisions contained in this temporary layoff section are not to be used by employees with less than one year of plant seniority.
- C. Management will then examine the file of applications submitted from employees of the affected equalization group, with more than one year of plant seniority, who request to work. The applicants with the longest seniority status in their classification as compared to other applicants in the group, may be retained for available work. Thereafter, if it is necessary to lay off additional employees in the affected groups, employees who have not filed an application to work may be laid off in reverse order of their plant seniority (i.e., oldest first).
- D. Employees may make application to work when the work in their respective equalization group decreases. Such application will be made in writing on the form provided to their Supervisor no later than one week prior to the layoff. The form must be dated and signed and a notation made in the equalization of hours records. Written request to work will remain in effect until canceled by notification in writing to the Supervisor no later than one week prior to the layoff or until the employee changes equalization groups. The requirement to give twenty-four (24) hours' notice prior to layoffs to the employees affected is waived in the application of this provision.
- E. In the event an employee is transferred to a different equalization group, such employee may make an application to work upon transfer. In all other events, the application to work or cancellation of such application must be received one (1) week prior to the temporary layoff.
- F. During the period of temporary layoff, Management retains the right to loan and/or assign employees to other work according to its needs.

- G. In the event the temporary layoff continues for longer than twenty-one (21) working days, such time limits may be extended by agreement between the Shop Committee and Labor Relations.
- H. In the event that during the temporary layoff changes in schedule, methods, products, policies, etc., occur, and it becomes necessary to permanently reduce the workforce, then adjustments will be accomplished within ten (10) working days from the date of Management's declaration that a permanent layoff is to occur in accordance with the Workforce Adjustment provisions of this Seniority Agreement.
- I. During or following a temporary layoff resulting from any of the reasons listed above, as work becomes available, seniority employees laid off will be recalled to their respective equalization group by shift on the basis that the applicants with the longest seniority status in their classification will be recalled first. Next employees with more than one year of seniority will be recalled in reverse order of their layoff. Thereafter, those employees with less than one year of seniority will be recalled in reverse order of their layoff.
- J. In the event overtime is worked in the affected equalization groups during the period of temporary layoff, employees who are working during this period will be considered by equalization group for such overtime work.
- K. Equalization records during the period of temporary layoff will not be changed except as follows. Employees will be charged in their respective groups for any overtime hours accepted, but not for hours refused during the period of temporary layoff. It is understood that charging of overtime hours in accordance with the provisions of this Agreement will not give rise to any claim of a violation of Paragraph (71) of the National Agreement during such overtime hours and that this provision will, in no way, be cited as justification for restructuring the workforce during the period of the temporary layoff.
- L. In skilled trades classification affected by a temporary layoff, for a period not exceeding twenty-one (21) working days, the work force of the affected equalization group(s) may be adjusted to existing needs by laying off employees on the basis of seniority status in the classification, by department, by equalization group, by shift. Departmental adjustments by equalization groups are recognized as being within the provisions of Paragraph (177) of the National Agreement. When the work in an equalization group decreases for any of the reasons listed above, the implementation of the foregoing procedure will be on the basis that employees-in-training (E.I.T.) may be laid off first from their respective equalization group in reverse order of their date of entry status in such skilled trades classification, i.e., youngest first, with such adjustments being made in accordance with the provisions of Paragraph (175) of the National Agreement. Thereafter, if it becomes necessary to lay off journeypersons with less than one year of skilled trades seniority status in the affected classification such employees may be laid off from their equalization group(s) in line with their seniority status in the classification, i.e., youngest first.

If it becomes necessary to lay off employees-in-training seniority (E.I.T.S.) or journeypersons with more than one year of seniority who have not filed an application to work, such employees may be laid off from their equalization group(s) in reverse order of their seniority status in the classification (i.e., oldest first). The application selection procedure outlined in Paragraph III.D. is applicable only to employees-in-training seniority (E.I.T.S.) and journeypersons with more than one year of skilled trades seniority status in the affected classification. For the period of temporary layoff, employees in skilled trades classifications who are temporarily laid off will not be returned to their former classifications. Skilled trades employees who are temporarily laid off under the provisions of this paragraph will be recalled in reverse order of their layoff. Except as specified herein, all other provisions of the temporary layoff section are applicable to employees of skilled trades classifications.

In the event of a temporary layoff involving employees-in-training seniority (E.I.T.S.) or journeypersons of the various classifications, the time limit specified above will be applied on a classification basis.

- M. Retention or displacement of another employee under any of these provisions will be on the basis that the retained employees are capable of performing the work to which they are assigned.
- N. An employee's seniority status for layoff or recall will be considered on the basis of the seniority listing for the group available at the start of the temporary layoff in the affected equalization group.
- O. Nothing in any of these provisions shall interfere with the maintenance of the efficiency of operations and an adequate work force.
- P. These provisions will not be cited or relied upon in any way as a basis for adjustments. (Cases brought to the Supervisor's attention which are contrary to these provisions will be corrected as soon as possible. Any abuse of this provision may be presented to Labor Relations for settlement.)
- Q. Employees placed on temporary layoff shall be advised of expected duration as known and eligibility for layoff benefits.

IV. WORKFORCE ADJUSTMENT

A. Reduction Procedure

- 1. Management will review its workforce needs periodically to determine manpower requirements. When this review indicates the need for a permanent reduction in force, Management will establish the number of employees to be reduced or laid off. In the event of layoffs, temporary employees will be laid off before any employee with seniority, capable of doing the job, is laid off.

2. The workforce will be adjusted to its new requirements by reducing employees out of their non-interchangeable occupational group classifications or clearing group classifications in line with their seniority.
3. If an employee is reduced from a classification, the employee will be transferred to the highest paying classification which he or she has previously satisfactorily performed (as evidenced by the employee's Personnel Record), seniority permitting, providing the employee has made application in the Personnel Department to establish "flow rights" to that classification no later than three weeks prior to the workforce adjustment.
4. After an employee has exhausted his/her Local Seniority Agreement placement rights or Local Transfer Agreement rights, the employee will be placed in an available opening which he or she is capable of performing after the provisions of the Local Transfer Agreement have been applied.
5. If it becomes necessary to lay off employees with seniority, those selected for layoff will be the employees with the least plant seniority, except for employees assigned to skilled trades classifications. The effective date of such layoffs will be the end of the employee's shift on the Friday before the effective date of the workforce adjustment. Whenever possible, management will provide at least 24 hours notice prior to layoff to the employees affected. (Paragraph 68 of the National Agreement)

B. Recall Procedure

1. Openings within a non-interchangeable group or clearing group classification will be filled in the following order: a) by surplus employees in the same classification, b) by honoring a reduced employee's non-interchangeable occupational group classification recall rights, c) by the application of the Local Transfer Agreement or d) by active employees who are being placed in accordance with Paragraph IV.A.4.
2. Laid off employees shall be recalled to an opening in the clearing group or to an opening in a non-interchangeable occupational group classification which has not been filled by an employee in the active workforce, as described in IV.B.1., in line with their seniority, those having the greatest seniority being recalled first.

V. SKILLED TRADES

A. Definition

1. The term "qualified", used in this section, shall apply to only those employees who have acquired status as Journeyperson under the provisions established by Paragraph (178) of the National Agreement.

2. The term "laid off", used in this section, shall apply to an employee who has insufficient seniority to work at the Company except as provided herein.
3. The phrase "original classification", as used in this section shall mean the classification last held by an employee in which the employee had seniority at the beginning of the Reduction and Layoff Procedure. If in the application of the Reduction and Layoff Procedure or Recall Procedure an employee is assigned to a job classification having a wage rate equal to the employee's original classification, that classification shall be considered the employee's original classification unless otherwise provided for in the supplement.

B. Reduction and Layoff Procedure

1. An employee-in-training (E.I.T.) shall be displaced from the skilled trades classification in which he or she is working in the reverse order of his or her date of entry status in such classification. He or she shall be transferred in the following order, seniority permitting:
 - a. To another skilled trades classification in which he or she has journeyman status;
 - b. To another skilled trades classification in which he or she has employee-in-training seniority (E.I.T.S.) status;
 - c. To another skilled trades classification in which he or she has date of entry status;
 - d. To the classification, other than in skilled trades, in which he or she retained and accumulated seniority while in training. Failing this, he or she shall be given the seniority treatment accorded employees of that group by the provisions of this Local Seniority Agreement.
2. An employee-in-training-seniority (E.I.T.S.) shall be displaced from the skilled trades classification in the reverse order of his or her seniority in such classification. He or she shall be transferred in the following order, seniority permitting:
 - a. To another skilled trades classification in which he or she has journeyman status;
 - b. To another skilled trades classification in which he or she has employee-in-training-seniority (E.I.T.S.) status;
 - c. To another skilled trades classification in which he or she has date of entry status.
3. A journeyman shall be displaced from the employee's skilled trades classification in the reverse order of the employee's seniority in such classification. A

journeyperson thus affected shall be transferred according to the diagram in Appendix "B" of this Local Seniority Agreement, seniority permitting.

4. A journeyperson who cannot be transferred under the provisions of Paragraph V.B.3. shall be transferred to another skilled classification in which the employee has established journeyperson, E.I.T.S. or E.I.T. seniority rights, seniority permitting.
5. A journeyperson who cannot be transferred under the provisions of Paragraph V.B.3. or 4. will displace an employee who has not attained the status of a journeyperson in accordance with the provisions of Paragraph (174) of the National Agreement.
 - a. A journeyperson Tool & Die Maker transferred for any reason to Inspector, Tool, Die, Fixture and Gage shall have a journeyperson date of entry seniority as of the date he or she entered the classification for the purpose of layoff or recall, unless otherwise provided for in this agreement.
6. A journeyperson or E. I. T. S. who cannot be transferred under the provisions of Paragraphs V.B.3., 4. or 5. shall be laid off.
7. When, by the application of the Reduction and Layoff Procedure, a journeyperson is transferred to another skilled classification in accordance with Paragraphs V.B.3. or 4., the employee's skilled seniority shall be carried forward to the new classification, per the diagram in Appendix B of this Local Seniority Agreement.

C. Recall Procedure

1. A journeyperson shall be recalled to the employee's original classification in line with his or her seniority, those with the greatest seniority being recalled first, except as hereinafter provided.
 - a. A journeyperson who has insufficient seniority to be recalled to the employee's original classification shall be recalled in line with the employee's seniority to any one of the skilled classifications to which the employee may have been transferred under the Reduction and Layoff Procedure.
 - b. A journeyperson refusing such recall surrenders any further recall rights to that classification except as provided in Paragraph (174) of the National Agreement.
2. An employee-in-training or an employee-in-training-seniority shall be recalled to his or her original classification in line with his or her seniority, those with the greatest seniority being recalled first except as hereinafter provided.
 - a. An employee-in-training or an employee-in-training-seniority shall be recalled in line with his or her seniority to any one of the skilled classifications he or she may have been transferred to under the Reduction and Layoff Procedure.

- b. An employee-in-training or employee-in-training-seniority refusing such recall surrenders any further recall right to that classification.

D. General Provisions

1. An employee who submits satisfactory evidence of experience which qualifies the employee as a journeyman and who has not previously established a journeyman seniority date in skilled trades shall be given seniority as a journeyman as of the date he or she enters or entered the skilled occupational group. This provision does not apply to those employees who qualify for journeyman status under the provisions of Paragraphs (166) and (167) of the National Agreement.
2. It is recognized that certain skilled classifications include the basic requirements of one other or several other skilled classifications and in the process of qualifying under the provisions of Paragraph (178) of the National Agreement for status as a journeyman in certain classifications, the requirements of Paragraph (178) of the National Agreement are satisfied in other skilled classifications.
3. A journeyman or E.I.T.S. who has been laid off from skilled trades under the provisions of Paragraph V.B.6., shall be recalled only to skilled trades in order of seniority in accordance with the applicable provisions of the Recall Procedure except as provided herein.
 - a. An employee laid off under the provisions of Paragraph V.B.6. may make application to return to work in a seniority group other than in skilled trades in which he or she retained and accumulated seniority. Failing this, the employee shall be given the seniority treatment accorded employees of that group by the provisions of this Local Seniority Agreement. This application to return to work shall be made on the form provided for that purpose and a copy shall be furnished to the employee at the time of layoff.
 - b. An employee who has made an application to return to work will be placed in accordance with Paragraph V.D.3.a. not later than the second Monday following the date his or her application is submitted. When two or more applicants have equal qualifications, the applicant with the greatest seniority shall be given preference.
 - c. An employee will have only one opportunity to make application under Paragraph V.D.3.a. If the employee refuses the job offered under Paragraph V.D.3.a., his or her seniority will be severed. If an employee desires to cancel his or her application to return to work he or she must submit written notification of such cancellation prior to his or her notification of recall under the procedure.

- d. An employee returned to work under Paragraph V.D.3.a. shall have his or her full seniority rights restored.
4. A Journeyperson who is transferred or recalled under the layoff or recall procedure to a skilled classification having a wage rate equal to the wage rate of his or her original classification may make application in writing to the employee's Supervisor for transfer to the employee's original classification except as provided above shall be given preference to fill an opening in the employee's original classification when all journeyperson having recall rights to that classification have been recalled to that classification. When more than one employee makes application for the same classification, the employee having the greatest skilled seniority shall be given preference.
5. An employee-in-training or employee-in-training-seniority who, through promotion, reenters a trade where the employee formerly had surrendered a recall right will have a date of entry as of the date the employee reenters the trade. The employee will be classified as a journeyperson when the employee has worked a total of eight years in the trade, and the employee's date adjusted to include that time.
6. The seniority of those employees who have the same skilled trades seniority date and status shall be determined by their plant seniority. If their plant seniority is also the same, the employee whose last name as of the original date of hire begins with the letter closest to "A" shall have the greatest seniority.
7. The final and determining factor as to whether an employee has satisfactorily performed a job at the Company shall be the employee's Personnel Record (unless definite proof is submitted to show such record is in error).
8. Any transfer or recall under the provisions of this Local Seniority Agreement will be made only if the employee is capable of doing the job to which the employee is transferred or recalled.
9. An employee classified as a journeyperson, employee-in-training or employee-in-training-seniority who desires a transfer to another equal or lower rated skilled trades classification in which the employee has previously established a journeyperson date of entry who makes application to his/her Supervisor or the Personnel Department stating his/her desires will be given preference for openings over employees desiring such classifications without an entry date on a Company-wide basis under the provisions of the Paragraph (63b) of the National Agreement. Additionally, Journeypersons, employees-in-training seniority (E.I.T.S.) and employees-in-training (E.I.T.), who can prove Journeyperson's status per Paragraph 178 of the National Agreement, may apply, on a one-time basis, for a higher, lower or equal paying skilled trades classification. Such applicants will be considered for transfer, along with all other applicants who have applied. Additionally, journeypersons, employees-in-training seniority (E.I.T.S.) and employees-in-training (E.I.T.) in skilled trades

classifications may make application for placement as an employee-in-training in higher, equal or lower paying non-apprenticeable skilled trades classifications and be transferred to one (1) such opening under the provisions of Paragraph (152) of the National Agreement. Such applicants will be considered for transfer, along with other E.I.T. applicants and be placed in accordance with the E. I. T. Selection Procedure of the Local Agreement. The primary criteria for selection will be the qualifications of the applicant pursuant to the provisions of Paragraph (153) of the National Agreement.

10. In the event there are applications filed under the Paragraph V.D.9. or Appendix "C" of this Local Seniority Agreement for a vacancy, the applicant with the longest seniority will be given preference.
11. For reasons known at the time to be temporary, employees in skilled classifications in departments affected shall be reassigned to other job classifications or be temporarily laid off from their respective department and recalled when their respective department or job resumes operation. In the event of layoff, the Chairperson of the Shop Committee shall be notified in advance of such layoff and the period of layoff shall not exceed five (5) working days. Should additional time be required, it will be granted only by mutual agreement between the parties. In the event of reassignment to other skilled classifications, such assignments, under normal conditions, will not exceed eight (8) calendar days. The provisions of this paragraph will not be used solely to otherwise deny a reduced or laid off employee of the employee's seniority rights.
12. In the application of the Permanent Layoff or Recall Procedure, an employee shall not be entitled to a job classification having a wage rate greater than the wage rate of the employee's original classification.

VI. TERMINATION CLAUSE

This agreement shall continue in full force and effect until terminated by either party or changed by consent of both parties. Either party may terminate this agreement by giving sixty days notice in writing. If either party desires to modify or change the agreement, it shall, at least sixty (60) days prior to the date when it proposes that such change or modification becomes effective, give notice in writing of the proposed changes or modifications. The other party, within ten (10) days after receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

VII. NOTICE OF RATIFICATION

This agreement is subject to written notice of ratification by the Local Union to be given to the Management not later than the 25th day of February, 2000. After such notice of ratification is received from the Local Union by Management, this agreement will be effective as provided for herein upon approval of the International Union, UAW.

LOCAL SENIORITY AGREEMENT

Local 933, UAW

Robert D. Woodcock

Stephen W. Defano

John Farr

Dean Farley

Mike Maraldo

Richard Amonett

International Union

Stephen P. Yokich

Ron Gettelfinger

Frank Musick

Mary K. Riordan

Tom Ladd

Rolls - Royce Allison

Lee Rhyant

Reedler Singler

John Dearth

Curnell Brooks

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

APPENDIX A

Non-Interchangeable Occupational Group Classifications (Production)

Classification

AERO Inspector
 AERO Material Controller
 AERO Mechanic
 Aircraft Engine Rework Mechanic
 AMPS Operator
 Assembler, Engine & Propeller
 Assembler, Skilled
 Assembler, Sub (Aircraft)
 Assembler, Wax Quality Operator-SCO
 Attendant, Fuel System
 Attendant, Oil Stores
 Attendant, Salvage
 Attendant, Tool Stores
 Casting Producer Quality Operator-SCO
 Converter Person (Foundry)
 Crib Attendant
 Deburr Machining General
 EDM Operator
 MSE Evansville Operator
 Evansville - Inspector Certified
 MSE Evansville - Welding Certified
 Finish Stores Pack & Check
 FMS Operator
 Furnace Operator, Braze Alloy
 Furnace Operator (Production Line)
 Gear Machining Bevel
 Gear Machinist - Special
 Gear Operator Production
 Grinder Operator Production
 Grinder Production (Sheffield)
 Grinder Special Automatic (Set-Up)
 Grinder Special, Automatic
 Heat Treat Control Person
 Heat Treat Furnace Operator
 Hydraulic Press
 Inspector, Electrical Components
 Inspector, Engine Assembly
 Inspector, Immersion Ultrasonic
 Inspector, M B & F Processes
 Inspector, Magnetic & Fluorescent

Inspector, Non Destructive Testing
 Inspector, Non Destructive Testing-SCO
 Inspector, Process (Heat Treat)
 Inspector, Process (Weldments)
 Inspector, Process X-Ray
 Inspector, Receiving and Salvage
 Inventory Controller
 Jobsetter
 L.V.A.T. - Multiple Spindle
 Laboratory Assistant
 Laboratory Machinist/Set-Up
 Lathe Operator Production
 Lathe Special, Automatic
 Machining General
 Metallizing, Special
 MSE Assembly
 MSE EDM
 MSE FMS Operator
 MSE Gears
 MSE General Assembly
 MSE General Machining
 MSE Grinding
 MSE Heat Treat Coating
 MSE Heat Treat Furnace
 MSE Jobsetter
 MSE Metallizing Special
 MSE PMS Operator
 MSE Pour-up/Braze
 MSE Salvage Rework Mechanic
 MSE Test
 MSE Turning
 MSE Welding (Certified)
 MSE Welding General
 MSE Welder, Laser
 NC Machinist - Special Process/EDM
 NC Machinist - Special Process/Welder
 Oiler
 Painter Spray (Production)
 Plater
 Pressure Tester
 Production Machining, Special
 Rework & Test, Elect. Components
 Rolling Mill
 Salvage & Rework Mechanic
 Screw Machine Automatic (Multiple Spindle)
 Set-up Screw Machine Automatic (Multiple Spindle)

Spin and Balance
T B & A Qualifier
Tap & Stud, Hand
Test & Service Mech. A-E-T-S
Truck Driver, Outside
Truck Driver, Outside T&T
Vane Setter Aircraft Engine
Weld & Braze Control Operator
Welder (Certified)
Welder, Laser
Welder, Machine Operator

Non-Interchangeable Occupational Group Classifications (Skilled Trades)

Classification

Auto, Truck & Trailer Repair Mechanic
Blade and Vane Maker
Carpenter
Cutter Grinder
Electrician
Experimental Aircraft Engine Test Mech.
Experimental Single Crystal Developer
Hardener
Inspector, Final Surface Plate
Inspector, Parts
Inspector, Tool, Die, Fixture & Gage
Instrument Repair, Electrical
Instrument Repair, Mechanical
Machine Repair/Equipment Builder
Metal Spinner
Millwright
Model Duplicator - Plastic
Pattern Maker, Wood
Pipefitter
Refrigeration, & A/C Maintenance
Sheet Metal Worker
Stationary Engineer - Powerhouse
Tinsmith
Tool & Die Maker
Water Waste Operator/Maintenance
Welder, Maintenance
Welder, Rack Making & Repair
Welder, Tool & Die
Welder, Tool & Die - Certified

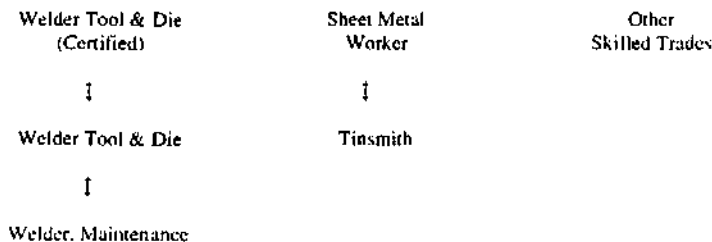
Clearing Group Classifications (Production)

Classifications

Assembler, General
Factory Maintenance
Janitor
Washer Parts

APPENDIX B

Diagram Applicable to Layoff (Paragraph V.B.3. and Recall (Paragraph V.C.1.) for Skilled Trades



A skilled classification in which seniority is established



A skilled classification to displace a non-journeyperson
under the provisions of Paragraph 174
of the National Agreement.



Layoff

APPENDIX C

A journeyman or an employee-in-training-seniority may apply for an opening in his or her classification and be considered for a transfer on a company-wide basis under the following conditions:

1. The employee must be capable of performing the job opening which occurs.
2. Employees may file only one (1) application in a twelve (12) month period from date of application or from date of transfer, whichever is later under these provisions.
3. The application must be made on the form provided and must designate his or her plant preference. The employee will only be considered for transfer to a vacancy in the plant designated as preferred.
4. Only applications that are on file in the Personnel Department by the end of normal office hours on Monday will be considered for a vacancy that is to be filled the first scheduled work day of the following week. Disputes regarding this provision should be referred to Labor Relations by the Chairperson of the Bargaining Committee for resolution.
5. When applications for transfer between plants are submitted within the same classification in each plant, employees will be transferred under these provisions.
6. It is understood that the assignment of newly graduated apprentices will not be considered vacancies for the purpose of these provisions.
7. If there is more than one applicant for a classification, and a vacancy occurs, the applicant with the greater seniority in the classification will be given preference for the transfer.
8. To facilitate training and to maintain a proper distribution of skills, it is understood that the efficiency of the operations must be maintained under all circumstances in the applications of these provisions.
9. The terms of this Appendix "C" will be applied to openings caused by additions to the head count or attrition (deaths, retirements, terminations) before reduced or laid-off seniority employees are recalled to skilled trades classification.
10. The terms of this Appendix "C" will also apply to employees assigned Experimental Aircraft Engine Mechanics desiring transfer between Departments 0873 and 0874.
11. Journeyman or E. I. T. S. desiring transfer under this provision will not be considered for openings designated for apprentices or E. I. T.'s.

These provisions will only apply to the extent that Management has the flexibility to give full protection to the efficiency of the operation under all circumstances and conditions.

Questions regarding the proper application of this Appendix "C" of this Local Seniority Agreement will be reviewed by the appropriate Zone Committee person and Labor Relations for prompt resolution.

APPENDIX D

Skilled Trades Supplement to the Local Seniority Agreement

1. Apprentices may be temporarily transferred to another plant for training which is not available in their home plant. At the time of transfer, the Skilled Trades Apprentice Committee will be notified.
2. Apprentices transferred for training purposes must be returned to their home plant prior to their graduation from the Apprentice Program.
3. Transfers after graduation will be handled under the provision of applicable agreements.
4. Apprentice training reports will be filled out by the employee's immediate Supervisor and a copy will be provided to the employee upon request.

APPENDIX E

When the Supervisor cannot place a medically restricted employee within his or her department the following applies to employees within the Non-Interchangeable Occupational Group or the Clearing Group.

1. Employees who are temporarily restricted and unable to perform their normal job assignment will be utilized on a job they can do within their department or Small Business Unit (SBU) so long as this does not adversely impact the seniority rights of another employee. If he or she is unable to perform a job in his or her department or SBU, he or she will be laid off. He or she shall be recalled within a period not to exceed seven (7) calendar days and be assigned to an opening in the Clearing Group or other Non-Occupational group openings to which no other employee has a claim or displace the employee with the least seniority in the Clearing Group, seniority permitting, and providing that the medically restricted employee is physically able to perform the job.
2. The permanently restricted employee will be transferred to an opening within the Clearing Group or other Non-Occupational group openings to which no other employee has a claim, or to displace a temporary employee within the Clearing Group providing the medically restricted employee is physically able to perform the job. If he or she is unable to displace the temporary employee, he or she may be laid off. If the employee is laid off he or she shall be recalled within a period not to exceed seven (7) calendar days and displace the employee with the least seniority in the Clearing Group, seniority permitting, and providing that the medically restricted employee is physically able to perform the job.
3. If the medically restricted employee is physically incapable of performing the job as described above, he or she shall be laid off.
4. If the employee is permanently restricted and is reduced or laid off from the Non-Interchangeable Occupational Group, he or she may make application on the form provided to be recalled within a period not to exceed seven (7) calendar days to a classification which he or she previously satisfactorily performed in the Non-Interchangeable Occupational Group provided the medically restricted employee is physically able to perform the job and seniority permitting.
5. An employee who displaces an employee in accordance with Paragraph 1. or 2. above will be returned to his or her former classification when the restriction is removed. All other employees may acquire recall rights after the restriction is removed by applying to the Personnel Department at least three (3) weeks prior to being recalled to the classification. It is understood, however, that an employee may not apply for or be transferred back to a classification from which he or she is restricted until such time as the restriction is removed.

APPENDIX F

1. When an employee is transferred to a classification requiring certification and/or a license and the employee, after having put forth a good faith effort, is unable to satisfactorily pass the required tests within the appropriate time limits, as specified for that classification, the employee will be returned to the last classification which he or she satisfactorily performed, seniority permitting. If the employee's seniority does not permit placement in the last classification in which he or she satisfactorily performed, he or she will be afforded seniority rights to which he or she would be entitled as if he or she was being reduced from such previously held classification. If it is jointly determined by the Shop Committee and Labor Relations that the employee did not put forth a good faith effort he or she will be transferred to the clearing group and will not be eligible to apply for further transfers until the expiration of the time period set forth in the Local Transfer Agreement.
2. Employees reduced as incapable (other than medical incapability, failure to pass required tests or failure to put forth a good faith effort to complete required training) will be placed in the clearing group and may make application within fourteen (14) days from the date of reduction to a classification they have previously satisfactorily performed. An employee who makes such application will be placed, seniority permitting, as soon as practicable but not later than two (2) weeks after the Monday following the date the application is received by the Personnel Department. Employees who are jointly determined by the Shop Committee and Labor Relations to have failed to put forth a good faith effort to be trained will be reduced to the clearing group and will not be eligible to apply for further transfers until the expiration of the time period set forth in the Local Transfer Agreement.
3. Employees who are deemed to be incapable of performing a particular classification or who fail to certify for a particular classification and are subsequently reduced will be afforded one (1) future opportunity to reapply under the Local Transfer Agreement to that classification when the employee can show proof of satisfactory completion of a jointly pre-approved course pertinent to the classification that he or she was reduced from. After selection, the employee must demonstrate capability of performing the job in the same manner as any other employee.
4. This Agreement will not affect other previously established seniority rights.
5. The Supervisor shall notify the employee and the employee's Committee person of pending reduction due to incapability in writing and prior to reduction, the reduction will be discussed with a member of the Shop Committee.
6. The employee may request, in writing, a copy of the seven-page letter, which is part of his/her personnel file, in accordance with the established procedure. A copy will be given to the employee's Union representative.

**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

LOCAL TRANSFER AGREEMENT

(Paragraph 63 of the National Agreement)

This agreement entered into this 26th day of February, 2000, is between Rolls-Royce Allison and Local 933, UAW.

The transferring of employees is solely the responsibility of Management subject to the following provisions. The provisions of this paragraph shall be applied without discrimination because of race, religion, color, age, sex, disability or national origin, so that equal employment opportunity will be afforded to all employees. The following provisions do not apply to skilled trades employees.

The parties recognize that workforce stability is desirable in order to promote a successful team environment and maximize the utilization of skills and competencies which are required to effectively compete in the aerospace industry and, thereby, enhance the job security of the entire Rolls-Royce Allison workforce. The parties also recognize that opportunities should be provided which will allow employees to express their desires to be transferred to another job or team within the plant in such a manner as will ensure a continuity of operations and minimal disruption to the plant.

Management will periodically review and establish requirements for additional employees by classification and Small Business Unit (SBU) or service group and may interview and train employees based on those requirements. Applications filed by employees will be processed as described below:

I. Selection Procedure

A. Application

Applications filed for a transfer in accordance with this Local Transfer Agreement must be received by end of normal business hours on Friday, three (3) weeks prior to the date on which the opening is to be filled.

B. Interview

1. Management will schedule applicant interviews for all vacancies in classifications specified in Paragraphs II. F., G, and H. of this Local Transfer Agreement, as well as all classifications specified in the MSE Transition Document. Management may schedule interviews for other classifications as it determines is necessary.

2. In the case of employees selected for transition to MSE classifications in accordance with the MSE Transition Document, employees selected will be asked to complete a mutually developed evaluation criteria to determine their training needs for the new assignment.
3. A team consisting of a Supervisor and the Chairperson of the Shop Committee or his designated representative will conduct the interview.
 - a. All pertinent records concerning the employee will be made available for the interview, including, in the case of interviews for MSE classifications, the results of the mutually determined evaluation criteria referred to in Paragraph I.B.2. of this Local Transfer Agreement.
 - b. The most senior active eligible applicant will be selected for the opening.
4. The employee being interviewed may cancel his or her application at that time.

C. Training

1. The parties will mutually develop training in basic fundamentals that cover a broad range of classifications.
 - a. Employees must attend all scheduled training and demonstrate comprehension of the material that satisfies a mutually developed evaluation procedure.
 - b. Employees not meeting minimum standards will be so advised and removed from that classification. The employee may resubmit an application following the period of time specified in Paragraph II.C.3. of this Local Transfer Agreement.
2. Upon satisfactory completion of training in basic fundamentals, the employees will receive specific on the job training in their newly assigned classifications.
3. Employees may be required to satisfactorily complete other training as the parties deem necessary.

D. Interdepartmental Transfers (Paragraph 63b of the National Agreement)

An eligible seniority employee may apply to be transferred to a primary opening in his or her classification in another department in his or her plant. Secondary openings will be filled in accordance with the Local Seniority Agreement, the Local Transfer Agreement, or by new hire. Employees granted interdepartmental transfers shall be precluded from transferring again under the provisions of this agreement for a period of twelve (12) months from date of their previous transfer or until they are moved out of their department by management, whichever occurs first.

- II. Applications must be made in duplicate on forms provided for this purpose and the employee will retain a copy.
- A. In order to provide proper training and an appropriate evaluation period for new employees, the parties agree that new hires placed in a classification for the first time will not be eligible to apply for transfer under the terms of this agreement until after the period specified in Paragraph II.C.3. of this Local Transfer Agreement below has been exhausted, unless Management changes the employee's classification. Employees having their classification changed in this manner may apply for transfer under the provisions of this agreement after acquiring seniority.
- B. Applications must be fully and correctly completed and signed by the employee. An application which is improperly filled out will be mailed to the employee's address of record.
- C. An employee may have a maximum of six (6) applications for transfer on file at any one time as follows:
1. The desired classification or department must be identified on the application at the time of submittal to the employee's Supervisor or the Personnel Department.
 2. When an active employee is transferred under the provisions of this Local Transfer Agreement, all other applications for transfer filed by the employee under the provisions of this Local Transfer Agreement will be canceled.
 3. Active employees who are transferred under the provisions of this Local Transfer Agreement shall be precluded from transferring again under the provisions of this agreement for a period of twelve (12) months from date of their previous transfer or until they are reduced from the classification, whichever occurs first. Applications submitted three weeks prior to the expiration of the twelve month time period, as specified herein, will be processed for transfer under the terms of this agreement.
 4. Any application not to be considered for automatic transfer must be canceled during interview or no later than three (3) weeks prior to the filling of the opening.
- D. Any job openings resulting from filling jobs pursuant to this provision will be filled under these provisions, failing that, by transfer without regard to seniority standing, or by new hires.
- E. The provisions of this agreement satisfies all the requirements of Paragraphs (63)(a) and (63)(b) of the National Agreement.

- F. Applicants for the following traditional classifications should have met the requirements identified to fill openings; however, other pertinent work experience will be considered. An applicant's qualifications will be determined during the interview.
1. Heat Treat Control Person
Requirement: Satisfactory Heat Treat Experience
 2. Jobsetter
Requirement: Satisfactory Grinding and/or Machining background
 3. Gear Machining - Bevel
Requirement: Satisfactory work experience in Gear Machining
 4. Production Machining Special
Requirement: Satisfactory Machining background
- G. Employees will be required to certify in the following classifications after the time specified as agreed between the parties.
1. Metallizing Special
Requirement: Certification after 60 days experience
 2. Converter Person (Foundry)
Requirement: Certification after 60 days experience
- H. Employees will certify in the following classifications, as indicated by Government requirements.
1. Welder, (Certified)
Requirement: Certification after 60 days experience
 2. Inspector, Magnetic & Fluorescent
Requirement: Certification after three (3) months experience
 3. Inspector, Process X-Ray
Requirement: Certification after one (1) year experience
 4. Inspector, N.D.T.
Requirement: Certification after fifteen (15) months experience
 5. Inspector, Immersion Ultrasonic
Requirement: Certification after 1 1/2 years experience
- I. None of the provisions of this Local Transfer Agreement supersede any of the provisions of the Local Seniority Agreement.

- J. In the administration of these provisions, sufficient flexibility must be allowed to permit the parties to comply with their respective and joint responsibilities with respect to equal employment opportunity policies and regulations as prescribed by the appropriate governmental agencies.
- K. Employees transferring out of the bargaining unit will have all applications on file at the time of transfer canceled. Upon returning to the bargaining unit such employees must reapply for consideration under these provisions or any other personnel moves requiring applications.
- L. This Local Transfer Agreement supersedes any and all previous *Promotional Agreements* and all understandings concerning the application of Paragraph (63)(a) and (63)(b) of the National Agreement.

III. Termination Clause

This agreement shall continue in full force and effect until terminated by either party or *changed by consent of both parties*. Either party may terminate this agreement by giving sixty days notice in writing. If either party desires to modify or change the agreement, it shall, at least sixty (60) days prior to the date when it proposes that such change or modification becomes effective, give notice in writing of the proposed changes or modifications. The other party, within ten (10) days after receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

IV. Notice of Ratification

This agreement is subject to written notice of ratification by the Local Union to be given to Management not later than the 25th day of February, 2000. After such notice of ratification is received from the Local Union by Management, this agreement will be effective as provided for herein upon approval of the International Union, UAW.

LOCAL SENIORITY AGREEMENT

Local 933, UAW

Robert D. Woodcock

Stephen W. Delano

John Farr

Dean Farley

Mike Maraldo

Richard Amonett

International Union

Stephen P. Yokich

Ron Gettelfinger

Frank Musick

Mary K. Riordan

Tim Ladd

Rolls - Royce Allison

Lee Rhyant

Reeder Singler

John Dearth

Cornell Brooks

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

LOCAL E.I.T. SELECTION PROCEDURE

(Paragraph 153 of the National Agreement)

The goal of the parties is to establish a strong ongoing Employee-In-Training (E.I.T.) program for all trades based on an application, selection, and training process as follows:

I. Applications for Employee-In-Training

- A. Applicants - Any employee qualifying under Paragraph (153) of the National Agreement may apply for an E.I.T. position.
- B. All Employee-In-Training applications must be submitted two (2) weeks prior to the interview date to be considered for an opening.

II. Selection Procedure

- A. Posting Vacancies - Openings will be posted thirty (30) days prior to the anticipated vacancies.

B. Qualifications

- 1. Related in-plant work experience.
- 2. Employees who desire placement in the Inspector, Parts classification will be selected in the normal manner. However, prior to placement the employees must satisfactorily complete the Math I (16 hours), Math II (40 hours) and Gauging (16 hours) courses currently offered by the Local 933, UAW/Rolls-Royce Allison Joint Training School. If the employee does not satisfactorily complete any of these courses they will not be eligible for placement as an E.I.T. in the Inspector, Parts classification. If more than one (1) employee is selected for placement in a classification at the same time, no placements will occur until all employees in the group have had an opportunity to successfully complete the above training classes. The placement time limits specified in Section III. will be extended to encompass the aforementioned pre-placement training.
- 3. Related prior experience including non Company experience.
- 4. In-plant records, as required.

C. Seniority

E.I.T. applications will be reviewed in seniority order by the Manager of the area affected or his or her designated representative, the Management Skilled Trades Placement Coordinator, the UAW E.I.T. Coordinator, the Chairperson of the Shop Committee and/or the Skilled Trades committeeperson of the area in question.

D. Interview

1. Three (3) employees identified as candidates for the first E.I.T. opening under the above procedure will be interviewed by the Manager of the affected area or his or her designated representative, the Management Skilled Trades Placement Coordinator, the UAW E.I.T. Coordinator, the Chairperson of the Shop Committee and/or the Skilled Trades committeeperson of the area in question. Thereafter, one (1) employee will be scheduled for an interview for each additional E.I.T. opening. The Skilled Trades committeeperson will be notified of the interview.
2. Interviews will be conducted during the employee's working hours.
3. Prior to being selected to an E.I.T. classification, an employee who is medically restricted will be examined by the Medical Department to determine if he or she is physically able to do the job.
4. During the interview process, the parties intend to fully disclose to the interviewees the nature of the work to be performed, as well as any unique features of the skilled trades assignments for which the employees are being interviewed, so that the candidates for selection may make an informed decision. Irrespective of the efforts of the parties in this regard, the occasion may arise wherein the promoted employee finds that the skilled trades assignment he or she has accepted does not represent the career opportunity he or she was seeking. In these instances, the promoted employee may, within the first thirty calendar days or less of his or her new assignment, submit an A.V.O. to his or her supervisor requesting removal from that skilled trades employee-in-training assignment. The employee will, thereafter, be returned to the classification from which he or she was transferred, seniority permitting. It is understood that an employee who is voluntarily removed in accordance with this provision will not be eligible for recall to the classification and the date of entry will be removed from the employees record. He or she will not be eligible to reapply for that classification for a period of twelve (12) months. Employees may also choose to opt out of their E.I.T. assignment after 30 days. From 31 days to 90 days employees may choose to opt out by following the above procedure. In such cases it is understood that an employee who is voluntarily removed in accordance with this provision will not be eligible for recall to the classification and the date of entry will be removed from the employee's record. He or she will not be eligible to reapply or be considered for any E.I.T. classifications for a period of twelve (12) months from his or her date of removal.
5. In-plant records, as required, will be available during the interview.

E. Selection

After the interviews have been concluded, the Manager of the affected area or his or her designated representative, the Chairperson of the Shop Committee and/or the Skilled Trades committeeperson will give their input on the candidates to the Management Skilled Trades Placement Coordinator and the UAW E.I.T. Coordinator, who will then select the appropriate candidate for placement in the vacancy.

III. Placement

It is agreed between the parties that Paragraph (153) of the National Agreement selections and placements will be made within thirty (30) days of the date of interview. Any exceptional circumstances will be reviewed with the Shop Committee. However, selections and placements will be made no later than forty-five (45) days from the date of interview, unless the time limits are mutually extended by the parties.

IV. Affirmative Action

Affirmative action requirements will be identified by the facility's HRM office and provided to the interview committee members specified in II.C. above and selection committee members specified in II.E. above. The requirements will be provided to the Local Union Civil Rights Committee upon request.

V. Training Requirements

- A. In order to provide the most highly skilled tradesperson possible from the Skilled Trades Employee-In-Training program at Rolls-Royce Allison, the parties agree to jointly develop a shop training schedule for each non-apprenticeable skilled trades classification in existence at this Company.
- B. The parties also agree to develop related training appropriate to each phase of the shop training schedule consisting of class room training and practical application of this training. Where appropriate the parties may agree to recommend adoption of the 450 hour related training schedule to accommodate this combined class room/practical application approach to related training. It is agreed that the conditions set forth in the Rolls-Royce Allison/UAW National Agreement applicable to E.I.T. training will apply to such training.
- C. The progress of Employees-In-Training will be reviewed on a monthly basis and an accurate record of the employee's training progress will be made by the employee's supervisor with input from the employee's trainer. The Management Skilled Trades Coordinator, the UAW E.I.T. Coordinator and the District Committeeperson will also monitor the employee's progress regularly to ensure that he or she is receiving all required training.

- D. Any employee entering the E.I.T. program shall be credited with the highest hours of the equalization group to which he or she is assigned.

VI. Termination Clause

This agreement shall continue in full force and effect until terminated by either party or changed by consent of both parties. Either party may terminate this agreement by giving sixty days notice in writing. If either party desires to modify or change the agreement, it shall, at least sixty days prior to the date when it proposes that such change or modification becomes effective, give notice in writing of the proposed changes or modification. The other party, within ten days after receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

V. Notice of Ratification

This agreement is subject to written notice of ratification by the Local Union to be given to the Local Management not later than the 25th day of February 2000. After such notice of ratification is received from the Local Union by Management, this agreement will be effective as provided for herein upon approval of the International Union, UAW.

LOCAL EIT SELECTION PROCEDURE

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**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

LOCAL EQUALIZATION OF HOURS AGREEMENT

(Paragraph 71 of the National Agreement)

1. This agreement entered into this 26th day of February, 2000, is between Rolls-Royce Allison and Local 933, UAW and is for the purpose of establishing a procedure for the administration of Paragraph (71) of the National Agreement.
2. This agreement supersedes all prior equalization of hours agreements and supplements thereto, as well as all grievance settlements pertaining to low man agreements, cross shift augmentation agreements or coverage agreements. It is understood that no provisions of the agreement supersede or conflict with the National Agreement between Rolls-Royce Allison and the UAW.
3. Overtime hours shall be equalized in accordance with Paragraph (71) of the National Agreement. It is understood that the hours within the respective equalization groups will be maintained in a twenty-eight (28) hour spread. Employees with 28.1 hours more than the low employee in an equalization of hours group will be considered outside the 28 hour spread.
 - a. In normal work weeks, equalization of hours group records will be maintained on a daily basis for all overtime worked Monday evening through Friday evening. A picture of the equalization of hours group record will be taken at the beginning of the regular shift on Thursday to be used for overtime hours offered on Saturday, Sunday and Monday prior to the start of the regular shift. It is understood that the Thursday picture will also apply to overtime hours offered on holidays which fall on Monday and the early overtime hours prior to the start of the regular shift on the following Tuesday.
 - b. In work weeks during which a holiday falls immediately prior to the weekend, the picture will be taken at the beginning of the shift two days prior to the holiday and be used to offer all overtime hours for the holiday weekend, including early overtime on the first work day after the holiday weekend. Absent employees willing to work scheduled holiday and weekend overtime must notify their supervisor of their intent prior to 10:00 a.m. on "picture day." Such employees must work the last scheduled day prior to the holiday in order to be eligible for the holiday and weekend overtime.
 - c. For the Christmas holiday period a picture will be taken of the equalization of hours group record at the beginning of the regular shift two work days immediately prior to the beginning of the Christmas holiday period, which shall be used to schedule all overtime hours for the entire holiday period, including early overtime hours on the first work day following the holiday period.

- d. Circumstances requiring skilled trades and engineering continuity of the job which are mutually agreed to between Management and the Union are excluded from this spread of hours agreement. Continuous operators are also excluded from this spread of hours agreement.
4. Overtime hours are not balanced among the shifts. Management will make every effort to schedule work in such a manner that hours shall be more equally divided among shifts where equalization of hours groups parallel each other across shifts. Where there is only one shift in a group and a new shift is established, it shall start at the average of the established shift. Where two shifts exist and a third shift is established it shall start with the average of the two existing shifts.
5. When overtime hours are deleted from the balance of hours on one shift, an equal number of hours will be removed from the groups which parallel each other across the shifts.
6. Employees required to work overtime and who have not been scheduled prior to the start of that shift will be allowed adequate time to telephone their homes using available plant telephones to make such local calls.
7. This procedure applies to all hourly rated employees. It will be necessary to maintain records to show the equalization of these hours which will be openly displayed in the department for inspection by the hourly rated employees of the group at all times. Records will be recorded by group.
8. Overtime records are to be maintained on a prompt and current basis; therefore, entries will be recorded at the time the overtime hours are made available and entered into the balance of hours records daily.
9. The record will show the accumulated total charged hours of each employee on a continuous basis so long as the employee remains in the group.
10. The record of hours worked under the provisions of this paragraph will be maintained on a continuous basis. To insure uniform recording of hours under the terms of the Local Equalization of Hours Agreement, it will be necessary that the provided standard form, currently DA-45, be utilized by each overtime group.
 - a. Those employees who comprise an equalization group (employees in the group engaged in similar work) shall be listed together by classification so that the record will give an accurate, clear analysis of the overtime situation. Each such equalization group will be listed separately and clearly labeled.
 - b. Employees who work overtime shall have the hours recorded on the overtime record on the basis of hours paid.

Day	Overtime Hours Worked	Hours Paid	Hours Charged
Monday	2	3	3
Saturday	8	12	12
Sunday	8	16	16
Holiday	8	24	16
Powerhouse employees			
Holiday	8	20	20

- c. New hires assigned to any group will be charged with the highest hours of the equalization group they enter. Employees who have not acquired seniority and who are transferred will be credited with the high hours of the group to which they are assigned. Seniority employees recalled from layoff, or transferred into an established equalization group, or transferred from one shift to another, shall be credited with an average of the hours of the group, except, employees returning to an equalization group from which they have been transferred, or laid off, less than 60 days shall be credited with the number of hours accumulated from the date of original transfer or layoff or the average hours of the group upon return, whichever is greater.
- d. An employee who enters pre Supervisory or other training for the purpose of a non-bargaining unit position, will be removed from the equalization group until such training is completed. When employees return to their equalization group from pre Supervisory or other non-bargaining unit training, temporary Supervisor or other non-bargaining unit status, they will be credited with the high hours of the group, or the hours they had when entering pre Supervisory or other non-bargaining unit training, whichever is higher. To insure the proper administration of this section, Management shall discuss the circumstances of such training and the approximate timing and length of training with the appropriate Shop Committeeperson. It is understood during the training period, that such employees shall not be reassigned to the equalization of hours group to perform bargaining unit work on a temporary basis.
- e. Employees will be charged with all overtime hours available to them in their equalization of hours group while at work. An employee absent from work at the time extra work is scheduled, and who would be routinely scheduled to work, will be charged under all circumstances and conditions. However, employees offered overtime work outside their equalization of hours group and who refuse such work, and employees contacted at home for work and who cannot report, will not be charged for such hours. Employees who are offered and work overtime assignments outside their respective group will be charged for hours paid.
- f. Employees will not be excluded from weekend overtime offered on Thursday by virtue of their absence on Thursday if they have contacted their supervision by Thursday before 10:00 AM and informed them that they are willing to work overtime on the weekend if it

is available. It is understood that such employees must work on Friday to be eligible for the weekend overtime.

- g. In cases where an Indianapolis employee is at school in Marion County, the provisions of Paragraph 10.f. of this Local Equalization of Hours Agreement will apply. Paragraph 10.f. of this Local Equalization of Hours Agreement shall also apply to Evansville employees at school in Vanderburgh County. For the purpose of this paragraph, employees will be considered at work if they attend scheduled classes at school or report to work as scheduled on Friday.
- h. Employees-in-Training in apprenticeable trades who have dates of entry prior to October 16, 1984, will continue to equalize overtime with Journeypersons and Employees-In-Training. Seniority within their respective overtime groups. Employees-In-Training in apprenticeable trades with dates of entry after October 16, 1984, will comprise separate equalization of hours groups. Journeypersons and Employees-In-Training Seniority in such trades will be afforded the first opportunity to work available overtime. If additional employees are needed, they should be obtained from Employees-In-Training and Apprentices associated with the skilled trades classification in question. Although Paragraph (71) does not apply to Apprentices, overtime should be offered to Employees-In-Training and Apprentices in a fair and equitable manner. It is understood that this does not apply to Plant 5 and Plant 8 Powerhouse employees.
11. Employees offered an opportunity to work overtime outside their home department will be allowed to work such overtime when there is mutual agreement between the two Supervisors involved. Situations where employees do not feel this arrangement is being managed in a fair manner will be brought to the attention of the appropriate SBU Manager.
12. When an employee is loaned from his/her group to another group on the same shift, he/she shall equalize overtime during the first seven calendar days with employees in the group from which the employee is loaned. After this period, the employee will equalize with the group to which he/she is loaned. If there is overtime in the group in which the employee is loaned during the first seven calendar days, borrowed employees shall be scheduled to work providing all employees in the group are scheduled and additional employees are needed. Hours worked during a loaned period will be charged against the record of the employees' overtime in their original equalization group. It is understood that a loaned employee who works the weekend in his/her home department does not break this seven day cycle.
- a. An employee who is loaned from his/her group to another group on a different shift will be credited with the average of the hours of the group. When the employee is returned to the equalization group from which he/she has been loaned, the employee shall be credited with the number of hours accumulated from the date loaned or the average hours of the group whichever is higher. This provision does not apply to situations wherein employees are loaned to another shift only for weekend overtime. Such employees will continue to be charged in their original group for all hours worked.

13. Employees designated Leader will equalize overtime in the department, shift and classification they lead.
14. Established equalization of hours groups as they exist when this Local Equalization of Hours Agreement is ratified, shall not be changed except by written agreement between the Shop Committee and Labor Relations.
15. Any changes to this Local Equalization of Hours Agreement must be negotiated between Labor Relations and the Shop Committee.
16. Union Committeepersons:
 - a. Hours worked by Union Committeepersons under Paragraph (21) should not be included on the overtime chart maintained for Paragraph (71).
 - b. Hours worked or refused by a Committeeperson under Paragraph (21) should be maintained as a matter of record but not on the Paragraph (71) overtime chart.
 - c. At such time as an employee ceases to function as a Union Committeeperson, the employee should be credited with an average of the overtime hours worked by the group as of the date the employee ceases to function as a Committeeperson except, in those instances where an employee has functioned as Committeeperson for less than 60 days the employee shall be charged for all overtime hours worked during this period of time.

17. Mandatory Overtime

During periods requiring extensive overtime, Management will inform the Union fourteen (14) days prior to implementation of mandatory overtime plans. Mandatory overtime may be implemented in all operations or specific areas as determined by management. Mandatory overtime plans are as follows:

- a. Plan A: Monday through Saturday at nine (9) hours per day with Sundays and Holidays as voluntary. An employee who has worked two or more consecutive Saturdays may decline to work the following (third) Saturday provided the employee shall have notified his or her Supervisor before the end of the shift on the preceding Wednesday and has not been absent for any reason during the week preceding the Saturday in question.
- b. Plan B: Monday through Friday at ten (10) hours per day with Saturdays, Sundays and holidays as voluntary.
- c. In both plans, the duration will not exceed 90 days with a minimum of 30 days between mandatory periods.

18. Termination Clause

This agreement shall continue in full force and effect until terminated by either party or changed by consent of both parties. Either party may terminate this agreement by giving sixty days notice in writing. If either party desires to modify or change the agreement, it shall, at least sixty (60) days prior to the date when it proposes that such change or modification becomes effective, give notice in writing of the proposed changes or modifications. The other party, within ten (10) days after receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

19. Notice of Ratification

This agreement is subject to written notice of ratification by the Local Union to be given to the Local Management not later than the 25th day of February, 2000. After such notice of ratification is received from the Local Union by Management, this agreement will be effective as provided for herein upon approval of the International Union, UAW.

LOCAL EQUALIZATION OF HOURS AGREEMENT

Local 933, UAW

Robert D. Woodcock

Stephen W. Delano

John Farr

Dean Farley

Mike Maraldo

Richard Amonett

Rolls - Royce Allison

Lee Rhyant

Reeder Singler

John Dearth

Cornell Brooks

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Ron Gettelfinger

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Mary K. Riordan

Tom Ladd

**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

LOCAL SHIFT PREFERENCE AGREEMENT

(Paragraph 75 of the National Agreement)

This agreement entered into this 26th day of February, 2000, is between Rolls-Royce Allison and Local 933, UAW.

This agreement is for the purpose of establishing a procedure for allowing seniority employees to indicate their preference as to which shift they would prefer working, as provided for in Paragraph (75) of the National Agreement.

I. NEW EMPLOYEES

New employees may be hired for the afternoon shift where three shifts exist. Such employees may be placed in vacancies on any shift for training purposes for such time as may be necessary for them to meet the requirements of the job and until such time as the efficiency of the operation will not be impaired by their transfer. In order to permit proper training and evaluation of new employees during their probationary period, the parties agree that employees who have not acquired seniority may not be bumped until such time as their name has been placed on the seniority list, as provided in Paragraphs (56), (57) and (58) of the National Agreement. The above provisions will not be applicable to skilled trades employees who are hired as journeypersons in accordance with Paragraph (178) of the National Agreement.

II. SENIORITY EMPLOYEES

A. Any active employee having seniority who is desirous of changing shifts may make application to the Supervisor in writing for a transfer to the shift the employee prefers. If, after having made application, an employee from that shift and classification within the department in question is willing to trade shifts, both employees will be transferred to the shifts of their choice and the time limits specified in Paragraph II.A.3. of this Local Shift Preference Agreement below will apply. Failing that, the employee may be placed in an opening in the employee's classification and plant on the preferred shift. If no opening exists, the employee will bump the youngest seniority employee in the employee's classification, including employees on leaves of absence on the preferred shift. In the event there is more than one application for the same job, applications will be handled in the order of the applicant's seniority, subject to the following conditions:

- f. An applicant must be fully qualified, with normal instructions, to perform satisfactorily the job of the youngest employee in the classification on the shift for which the employee is applying in the employee's shift preference group.

2. Transfers will be made only from one job classification on one shift to the same job classification on another shift.
3. Employees who are granted transfers (upon application) to a preferred shift, cannot make further shift preference transfers within a period of three months from such transfer. Applications submitted by employees two weeks prior to the expiration of the three month time period, as specified herein, will be processed for transfer under the terms of this agreement.
4. The classification or shift of employees will not be changed to circumvent the application of the shift preference agreement. Additionally, the temporary assignment of employees will be done only in the interest of maintaining the efficiency of the operation.
5. Employees who are to be granted transfers as provided in Paragraph II. of this Local Shift Preference Agreement above will be assigned to the new shift on the second Monday of the month, providing the employees have properly submitted their written request, as required above, at least two weeks prior to the effective date of the transfer. If the Monday on which the application is to be submitted is a holiday, the application may be submitted on Tuesday.
 - a. Employees who have submitted a request to transfer to a new shift may cancel their request by doing so in writing to the Personnel Department or the appropriate party who is processing shift preference requests at least two weeks prior to the effective date of the transfer. If the Monday on which the cancellation is to be submitted is a holiday, the cancellation may be submitted on Tuesday.
6. An employee transferred to another shift by Management for any reason, except Temporary Transfers, may submit a request for a special shift preference transfer within the first five working days of the assignment. Thereafter, the employee will either be returned to his or her original shift or be granted the special shift preference transfer within two pay periods.
 - a. The Monday following the submission of a special shift preference will be used as the picture day for special shift preferences.
8. Employees may file one (1) application with the Personnel Department designating their permanent shift preference. Applications must be received by the end of normal business hours on Friday, three (3) weeks prior to the date on which the opening is to be filled. Such applications will remain active until canceled or changed in accordance with the aforementioned time limits. If an employee is transferred under the provisions of the Local Seniority or Local Transfer Agreements, except for transfers in accordance with Paragraph I.D. (interdepartmental transfers) of the Local Transfer Agreement, or is transferred to a new classification during a workforce adjustment the employee's

permanent shift preference will be honored, seniority permitting in the classification to which the employee is being transferred.

- C. When skilled trades employees exercise shift preference under the conditions outlined in Paragraphs II.A. 1. through 6. of this Local Shift Preference Agreement above, the recognized skilled trades classification seniority shall be used to determine eligibility for transfer except as provided herein. When two or more employees have the same skilled trades seniority, the employee with the longest plant wide seniority shall be given preference. Journeypersons and E. I. T. S. shall be combined for shift preference purposes. All other skilled trades employees shall exercise shift preference in their respective skilled trades seniority status.
- D. In those instances where the addition or deletion of departments involving the rights of Bargaining Unit employees under the shift preference agreement are involved, the effect upon those rights will be negotiated between Management and the Shop Committee.
- E. Employees designated Leader will be subject to shift preference bumps within the classification they are leading on a plant wide basis. Once a Leader leaves their current equalization of hours group he or she will lose their Leader status unless they are bumped by another Leader in the same department.

III. TEMPORARY TRANSFERS

- A. It is understood that in emergencies caused by absenteeism, expansion or contraction of the number of shifts or the size of shifts, or any major change in the product to be manufactured, shortage of materials, etc., temporary transfers may be made as may be desired by Management without regard to seniority or shift preference. [For the purpose of this Agreement, such temporary transfers shall not be for a period in excess of fourteen (14) days unless a longer period is mutually agreed upon between Management and appropriate Shop Committee person. An employee who is transferred under the provisions of this Agreement for a period of fourteen (14) days will be notified in writing stating the reason for such move and will not be again reassigned in this manner for a period of thirty (30) days from the conclusion of the previous assignment, unless mutually agreed to between Management and the appropriate Shop Committee person. It is understood that "temporary transfers," as referred to in this agreement on shift preference, shall only apply to this agreement.]
- B. Employees of tool, die and maintenance departments may be required to work on any shift to which it may be necessary to assign them during periods of new program start-up, retooling or reconversion.
- C. It is understood that in its application, this Local Shift Preference Agreement "must have sufficient flexibility to give full protection to efficiency of operation under all circumstances and conditions."

IV. TERMINATION CLAUSE

This agreement shall continue in full force and effect until terminated by either party or changed by consent of both parties. Either party may terminate this agreement by giving sixty days notice in writing. If either party desires to modify or change the agreement, it shall, at least sixty (60) days prior to the date when it proposes that such change or modification becomes effective, give notice in writing of the proposed changes or modifications. The other party, within ten (10) days after receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

V. NOTICE OF RATIFICATION

This agreement is subject to written notice of ratification by the Local Union to be given to the Management not later than the 25th day of February, 2000. After such notice of ratification is received from the Local Union by Management, this agreement will be effective as provided for herein upon approval of the International Union, UAW.

LOCAL SHIFT PREFERENCE AGREEMENT

Local 933, UAW

Robert D. Woodcock

Stephen W. Delano

John Farr

Dean Farley

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Steve Fitzpatrick

**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

LOCAL WAGE AGREEMENT

(Paragraph 100 of the National Agreement)

1. This agreement entered into this 26th day of February, 2000, is between Rolls-Royce Allison and Local 933, UAW.
2. It is understood that this agreement includes the Job Classifications, Wage Rates and Progression Schedule attached hereto and constitutes full and complete compliance with the wage provisions of the National Agreement dated February 26, 2000, between Rolls-Royce Allison and the International Union, UAW and shall continue in full force and effect for the duration of the National Agreement dated February 26, 2000, between Rolls-Royce Allison and the International Union, UAW.
3. This agreement supersedes all prior wage agreements and supplements thereto and shall become effective February 26, 2000, subject the approval of the International Union, UAW.

NEW HIRES

4. a. New employees who do not hold a seniority date in any Company plant shall be hired and progressed to the maximum rate of their job classification in accordance with Paragraph (98) of the National Agreement.
- h. Journeypersons hired for skilled trades classification shall be hired at a rate which is in accordance with Paragraph (181a) of the National Agreement and will be granted the maximum rate for the classification the Monday following the date on which they acquire seniority.

TRANSFERS

5. An employee who has not reached the maximum rate of his or her classification will be transferred with a rate commensurate with the provisions of Paragraph (98) of the National Agreement, and shall be given credit for the time spent in his or her original classification toward attaining the job rate in the new classification.
6. In cases where an employee who has reached the maximum rate of his or her classification is transferred from a lower rate to a higher rated classification, he or she shall be advanced to the new job rate on the date of transfer.

- a. In cases where such an employee is transferred from a higher rated to a lower rated classification, he or she shall be reduced to the job rate of his or her new classification on the date of transfer.
- b. In cases where such an employee is transferred from one job classification to another where the pay is the same, there shall be no change in rate.
- c. For employees transitioning to a newly combined classification in accordance with the terms of the MSE Transition Agreement he or she shall be advanced to the new job rate as soon as he or she demonstrates basic competency in the classification to which he or she is transferred and has met the time requirements of Paragraph (98) of the National Agreement. After demonstrating specific competency in the classification he or she will be given an incentive recognition raise in accordance with the MSE Transition Agreement.

SKILLED TRADES CLASSIFICATIONS

7. a. Wage rules which apply to skilled trades classifications will be handled under the applicable paragraphs of the National Agreement.
- b. Wage rules which apply to apprentices will be handled in accordance with Paragraph (151) of the National Agreement.
- c. Wage increases to employees-in-training, in accordance with Paragraph (163) of the National Agreement, shall be effective on the Monday preceding the day on which the sixty (60) day period expires.

EFFECTIVE DATE OF AUTOMATIC INCREASE

8. The effective date of automatic increases will be handled in accordance with Paragraph (98) of the National Agreement.
9. In the application of the above, employees granted a Leave of Absence while still earning less than the rate of their classification shall upon reinstatement receive credit for the time spent from the date of the last increase to the starting time of the Leave of Absence toward establishing the due date for the next automatic increase.

RECALL

10. An employee recalled to the same classification of work after a seniority layoff, or advanced to a classification on which he or she previously worked, shall receive the rate he or she was receiving when he or she was laid off or demoted without loss of time on the progression schedule.

11. An employee recalled from seniority layoff to a classification having a job rate equal to or lower than the job rate of his or her original classification shall receive the rate he or she held on his or her original classification or the job rate of the classification to which he or she is recalled, whichever is lower.
12. An employee recalled from seniority layoff to a classification having a job rate higher than the job rate of his or her original classification, shall receive the rate he or she held on his or her original classification or the hiring rate of the classification to which he or she is recalled, whichever is greater.

GENERAL PROVISIONS

13. When an employee is temporarily assigned to a higher-rated production job on any given day, he or she will be compensated at the higher rate for all hours worked on that day, provided he or she works on such higher rated job for one (1) hour or more.
 - a. Employees temporarily assigned to higher rated skilled trades jobs will be compensated at the journeyperson's rate only for those hours they perform skilled trades work. Before any employee is paid on the basis of the above language, approval must be obtained from the appropriate Manager.
 - b. In the administration of filling in for absenteeism, while employees having seniority recall rights are reduced from the classification, it is understood that when an opening is filled, it will be filled under the appropriate agreement. Fill-in for employees on vacation is exempted from the above provisions. Problems brought to Management's attention will be corrected within thirty (30) calendar days.
14. The maximum rate for Leaders appointed to any classification shall be a rate ten (10) cents over the highest rated classification he or she is leading except for the rate differential accruing due to the application of improvement factor percentages.
15. Employees impacted by the MSE Transition Agreement who have demonstrated full competency in the non-interchangeable occupational group MSE classification to which they are assigned will be trained for "Certified Quality Operator" status. When the training is started the employee shall be given a 25¢ per hour incentive compensation payment and when the employee successfully completes the jointly developed training and demonstrates the required competency he or she will be eligible for the remaining 25¢ of the 50¢ per hour bonus attributable to achieving the "Certified Quality Operator" status. Such incentive compensation will be paid for all hours worked. In order to retain this pay status, each such employee will have to successfully complete a refresher training program annually after his or her initial certification.
16. As the parties transition to the Manufacturing Systems Engineering (MSE) concept it is recognized that there will be a period of time during which a part of the manufacturing operations are continuing to function in a traditional manner. During this transitional period

the operations which have not been transitioned to the MSE concept will continue to utilize the existing classification structure provided in Appendix "A" of this Local Wage Agreement. After being transitioned to the MSE concept the MSE cells will be governed by the classification structure specified in the MSE Transition Agreement.

TERMINATION CLAUSE

17. This agreement shall continue in full force and effect until terminated by either party or changed by consent of both parties. Either party may terminate this agreement by giving sixty days notice in writing. If either party desires to modify or change the agreement, it shall, at least sixty (60) days prior to the date when it proposes that such change or modification becomes effective, give notice in writing of the proposed changes or modifications. The other party, within ten (10) days after receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

NOTICE OF RATIFICATION

18. This agreement is subject to written notice of ratification by the Local Union to be given to Management not later than the 25th day of February, 2000. After such notice of ratification is received from the Local Union by Management, this agreement will be effective as provided for herein upon approval of the International Union, UAW.

LOCAL WAGE AGREEMENT

Local 933, UAW

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Appendix A

Hourly Job Classifications and Wage Rate Schedules

Inter viewable	Classification Code	Classification	Year 1	Year 2	Year 3
I	282B01	AERO Inspector	19.67	20.26	20.87
I	342B01	AERO Material Controller	19.62	20.21	20.82
I	106B01	AERO Mechanic	19.72	20.31	20.92
I	104B01	Aircraft Engine Rework Mechanic	19.88	20.48	21.09
I	101B01	AMPS Operator	20.09	20.69	21.31
I	128B01	Assembler, Engine & Propeller	19.72	20.31	20.92
I	136B02	Assembler, General	19.37	19.95	20.55
I	138B01	Assembler, Skilled	19.72	20.31	20.92
I	140B01	Assembler, Sub (Aircraft)	19.76	20.35	20.96
I	131B01	Assembler, Wax-SCO	14.68	15.12	15.57
I	148B01	Attendant, Fuel Systems	19.76	20.35	20.96
I	148B01	Attendant, Oil Stores	19.53	20.12	20.72
I	201B01	Attendant, Salvage	19.84	20.44	21.05
I	150B01	Attendant, Tool Stores	19.65	20.24	20.85
I	153J11	Auto, T&T Repair Mechanic	22.86	23.55	24.26
I	165J11	Blade and Vane Maker	23.21	23.91	24.63
I	180J11	Carpenter	22.86	23.55	24.26
I	194B01	Casting Producer Quality Operator-SCO	14.68	15.12	15.57
I	196B01	Converter Person (Foundry)	20.05	20.65	21.27
I	203B01	Crib Attendant	19.65	20.24	20.85
I	205J11	Cutter Grinder	22.99	23.68	24.39
I	206B01	Deburr Machining General	19.73	20.32	20.93
I	219B01	EDM Operator	19.65	20.24	20.85
I	223J11	Electrician	23.12	23.81	24.52
I	221B01	Evansville - Inspector Certified	20.19	20.80	21.42
I	225J11	Exp. Aircraft Engine Test Mech.	22.74	23.42	24.12
I	226J11	Experimental Single Crystal Developer	22.74	23.42	24.12
I	207B02	Factory Maintenance	19.53	20.12	20.72
I	209B01	Finish Stores Pack & Check	19.65	20.24	20.85
I	224B01	FMS Operator	20.09	20.69	21.31
I	230B01	Furnace Operator (Production Line)	19.37	19.95	20.55
I	228B01	Furnace Operator, Braze Alloy	19.66	20.25	20.86
I	237B01	Gear Machining Bevel	19.76	20.35	20.96
I	235B01	Gear Machinist - Special	19.76	20.35	20.96
I	234B01	Gear Operator Production	19.78	20.35	20.96
I	249B01	Grinder Operator Production	19.66	20.25	20.86
I	254B01	Grinder Production (Sheffield)	19.66	20.25	20.86
I	258B01	Grinder Special Automatic (Set-Up)	20.09	20.69	21.31
I	258B01	Grinder Special, Automatic	19.76	20.35	20.96
I	268J11	Hardener	22.99	23.68	24.39
I	270B01	Heat Treat Control Person	19.86	20.46	21.07
I	272B01	Heat Treat Furnace Operator	19.66	20.25	20.86
I	278B01	Hydraulic Press	19.56	20.15	20.75
I	280B01	Inspector, Electrical Components	19.86	20.46	21.07
I	284B01	Inspector, Engine Assembly	19.86	20.46	21.07

288J11	Inspector, Final Surface Plate	23.21	23.91	24.63
290B01	Inspector, Immersion Ultrasonic	19.76	20.35	20.96
307B01	Inspector, M. B. & F. Processes	19.66	20.25	20.86
294B01	Inspector, Magnetic & Fluorescent	18.66	20.25	20.86
291B01	Inspector, NDT-SCO	19.84	20.44	21.05
295B01	Inspector, Non Destructive Testing	19.84	20.44	21.05
296J11	Inspector, Parts	23.21	23.91	24.63
301B01	Inspector, Process (Heat Treat)	19.66	20.25	20.86
309B01	Inspector, Process (Weldments)	19.66	20.25	20.86
311B01	Inspector, Process X-Ray	19.84	20.44	21.05
317B01	Inspector, Receiving and Salvage	19.78	20.35	20.96
327J11	Inspector, Tool, Die, Fixture & Gage	23.21	23.91	24.63
336J11	Instrument Repair, Electrical	23.12	23.81	24.52
339J11	Instrument Repair, Mechanical	22.99	23.88	24.39
340B01	Inventory Controller	19.72	20.31	20.92
341B02	Janitor	18.99	19.56	20.15
350B01	Jobsetter	20.09	20.69	21.31
368B01	L.V.A.T. - Multiple Spindle	19.76	20.35	20.96
354B01	Laboratory Assistant	19.53	20.12	20.72
356B01	Laboratory Machinist/Set-Up	20.09	20.69	21.31
369B01	Lathe Operator Production	19.66	20.25	20.86
367B01	Lathe Special, Automatic	19.78	20.35	20.96
387J11	Machine Repair/Equipment Builder	23.21	23.91	24.63
389B01	Machining General	19.68	20.25	20.86
396J11	Metal Spinner	23.94	24.66	25.40
400B01	Metallizing, Special	19.66	20.25	20.86
411J11	Millwright	22.88	23.55	24.28
414J11	Model Duplicator - Plastic	22.99	23.68	24.39
120B01	MSE Assembly	19.88	20.48	21.09
220B01	MSE EDM	19.78	20.35	20.96
222B01	MSE Evansville Operator	20.19	20.80	21.42
551B01	MSE Evansville - Welder Certified	20.19	20.80	21.42
227B01	MSE, FMS Operator	20.09	20.69	21.31
B240B01	MSE Gears	19.76	20.35	20.96
110B01	MSE General Assembly	19.76	20.35	20.96
390B01	MSE General Machining	19.73	20.32	20.93
260B01	MSE Grinding	19.76	20.35	20.96
430B01	MSE Heat Treat Coating	19.68	20.25	20.86
275B01	MSE Heat Treat Furnace	19.86	20.46	21.07
401B01	MSE Metallizing Special	19.68	20.25	20.86
442B01	MSE, PMS Operator	20.09	20.69	21.31
360B01	MSE Jobsetter	20.09	20.69	21.31
280B01	MSE Pour-up/Braze	19.76	20.35	20.96
455B01	MSE Salvage Rework Mechanic	20.05	20.65	21.27
500B01	MSE Test	20.00	20.60	21.22
370B01	MSE Turning	19.76	20.35	20.96
545B01	MSE Welding (Certified)	20.19	20.80	21.42
546B01	MSE Welding General	19.86	20.46	21.07
539B01	MSE Welder, Laser	20.19	20.80	21.42
419B01	NC Machinist - Special Process/EDM	19.76	20.35	20.96
420B01	NC Machinist - Special Process/Welder	19.76	20.35	20.96
416B01	Oilier	19.66	20.25	20.86

	423B01	Painter Spray (Production)	19.53	20.12	20.72
	427J11	Pattern Maker, Wood	24.44	24.86	25.61
	429J11	Pipefitter	22.86	23.55	24.26
I	433B01	Plater	19.66	20.25	20.66
	439B01	Pressure Tester	19.37	19.95	20.55
I	441B01	Production Machining, Special	20.09	20.59	21.31
	447J11	Refrig. & A/C Maintenance	23.12	23.81	24.52
	450B01	Rework & Test, Elect. Components	19.66	20.46	21.07
	452B01	Rolling Mill	19.56	20.15	20.75
	454B01	Salvage & Rework Mechanic	20.05	20.65	21.27
	462B01	Screw Machine, Automatic (Multiple Spindle)	20.05	20.65	21.27
I	470B01	Set-up Screw Machine, Automatic (Multiple Spindle)	20.31	20.92	21.55
	479J11	Sheet Metal Worker	23.14	23.83	24.54
	490B01	Spin and Balance	19.66	20.25	20.86
	492J11	Stationary Engineer - Powerhouse	22.86	23.55	24.26
	474B01	T B & A Qualifier	19.76	20.35	20.96
	601B01	Tap & Stud, Hand	19.56	20.15	20.75
I	505B01	Test & Service Mech. A-E-T-S	20.00	20.60	21.22
	509J11	Tinsmith	22.86	23.55	24.26
	511J11	Tool & Die Maker	23.21	23.91	24.63
I	525B01	Truck Driver, Outside	19.65	20.24	20.85
I	527B01	Truck Driver, Outside T&T	20.75	21.37	22.01
	531B01	Vane Setter Aircraft Engine	19.56	20.15	20.75
	533B02	Washer Parts	19.37	19.95	20.55
	534J11	Water Waste Operator/Maintenance	22.86	23.55	24.26
I	536B01	Weld & Braze Control Operator	19.86	20.46	21.07
I	542B01	Welder (Certified)	20.19	20.80	21.42
I	540B01	Welder, Laser	20.19	20.80	21.42
I	537B01	Welder, Machine Operator	19.76	20.35	20.96
	541J11	Welder, Maintenance	22.99	23.68	24.39
	544J11	Welder, Rack Making & Repair	22.99	23.68	24.39
	547J11	Welder, Tool & Die	23.14	23.83	24.54
	550J11	Welder, Tool & Die - Certified	23.14	23.83	24.54

APPENDIX B

Apprentice Rate Schedule-By Period Of Training for February 28, 2000

Code	Classification	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Grad
153A11	Auto. Truck & Trailer Repair Mech.	19.07	19.19	19.50	19.88	20.33	20.86	21.48	22.18	22.76
180A11	Carpenter	19.07	19.19	19.50	19.88	20.33	20.86	21.48	22.18	22.76
223A11	Electrician	19.07	19.19	19.53	19.94	20.42	20.98	21.65	22.40	23.02
225A11	Exp. Aircraft Engine Test Mech.	19.07	19.19	19.49	19.86	20.29	20.80	21.40	22.07	22.64
268A11	Hardener	19.07	19.19	19.51	19.93	20.38	20.92	21.56	22.38	22.89
387A11	Machine Repair/Equipment Builder	19.07	19.19	19.53	19.95	20.45	21.02	21.71	22.48	23.11
411A11	Millwright	19.07	19.19	19.50	19.88	20.33	20.86	21.48	22.18	22.76
429A11	Pipeliner	19.07	19.19	19.50	19.88	20.33	20.86	21.48	22.18	22.76
447A11	Refrigeration & Air Cond. Maint.	19.07	19.19	19.52	19.94	20.42	20.98	21.65	22.40	23.02
479A11	Sheet Metal Worker	19.07	19.19	19.53	19.94	20.43	20.99	21.66	22.41	23.04
492A11	Stationary Engineer Powerhouse	19.07	19.19	19.50	19.88	20.33	20.86	21.48	22.18	22.76
509A11	Tinsmith	19.07	19.19	19.50	19.88	20.33	20.86	21.48	22.18	22.76
511A11	Tool & Die Maker	19.07	19.19	19.53	19.95	20.45	21.02	21.71	22.48	23.11
541A11	Welder	19.07	19.19	19.51	19.91	20.38	20.92	21.56	22.38	22.89
543A11	Welder, Tool & Die	19.07	19.19	19.53	19.93	20.43	20.99	21.66	22.41	23.04
550A11	Welder, Tool & Die Certified	19.07	19.19	19.53	19.94	20.43	20.99	21.66	22.41	23.04

A seniority employee is to be transferred at his or her current rate or the rate of 20.63 per hour, whichever is lower, provided however, that in no event will his or her 1st period rate be lower than a rate of ten cents (.10) over the 1st period hourly rate set forth above. Upon his or her completion of that 1st period, he or she shall be paid a rate of 19.53 or his or her first period rate, whichever is higher, and if retained, shall be paid such rate until he or she qualifies for a higher rate in accordance with the Apprentice Rate Schedule.

*This rate schedule is established in accordance with Paragraph (15.1) of the National Agreement.

APPENDIX B (1)

Apprentice Rate Schedule-By Period Of Training for February 26, 2001

Code	Classification	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th
153A11	Auto, Truck & Trailer Repair Mech.	19.64	19.77	20.15	20.62	21.17	21.81	22.58	23.43	23
190A11	Carpenter	19.64	19.77	20.15	20.62	21.17	21.81	22.58	23.43	23
223A13	Electrician	19.64	19.77	20.17	20.67	21.36	21.94	22.75	23.66	23
225A11	Exp. Aircraft Engine Tool Mech.	19.64	19.77	20.14	20.59	21.13	21.75	22.49	23.32	23
268A11	Hardener	19.64	19.77	20.16	20.64	21.21	21.87	22.66	23.54	23
387A11	Machine Repair/Equipment Builder	19.64	19.77	20.18	20.69	21.29	21.98	22.81	23.74	23
411A11	Millwright	19.64	19.77	20.15	20.62	21.17	21.81	22.58	23.43	23
429A11	Pipelitter	19.64	19.77	20.15	20.62	21.17	21.81	22.58	23.43	23
447A13	Refrigeration & Air Cond. Maint.	19.64	19.77	20.17	20.67	21.26	21.94	22.75	23.66	23
479A11	Sheet Metal Worker	19.64	19.77	20.17	20.67	21.27	21.95	22.77	23.67	23
492A11	Stationary Engineer Powerhouse	19.64	19.77	20.15	20.62	21.17	21.81	22.58	23.43	23
519A11	Tinsmith	19.64	19.77	20.14	20.62	21.17	21.81	22.58	23.43	23
511A11	Tool & Die Maker	19.64	19.77	20.18	20.69	21.29	21.98	22.81	23.74	23
541A11	Welder	19.64	19.77	20.16	20.64	21.21	21.87	22.66	23.54	23
547A11	Welder, Tool & Die	19.64	19.77	20.17	20.67	21.27	21.95	22.77	23.67	23
550A11	Welder, Tool & Die Certified	19.64	19.77	20.17	20.67	21.27	21.95	22.77	23.67	23

A seniority employee is to be transferred at his or her current rate or the rate of **21.25** per hour, whichever is lower, provided however, that in no event will his or her 1st period rate be lower than a rate of ten cents (.10) over the 1st period hourly rate set forth above. Upon his or her completion of that 1st period, he or she shall be paid a rate of **20.12** or his or her first period rate, whichever is higher, and if retained, shall be paid such rate until he or she qualifies for a higher rate in accordance with the Apprentice Rate Schedule.

*This rate schedule is established in accordance with Paragraph (151) of the National Agreement.

APPENDIX B (2)

Apprentice Rate Schedule-By Period Of Training for February 25, 2002

Code	Classification	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Grand
153A11	Auto, Truck & Trailer Repair Mech.	20.23	20.36	20.82	21.38	22.04	22.80	23.71	24.36	24.72
189A11	Carpenter	20.23	20.36	20.82	21.38	22.04	22.80	23.71	24.36	24.72
223A11	Electrician	20.23	20.36	20.84	21.43	22.13	22.93	23.89	24.63	24.96
225A11	Exp. Aircraft Engine Test Mech.	20.23	20.36	20.81	21.35	21.99	22.73	23.62	24.23	24.61
268A11	Hauler	20.23	20.36	20.83	21.40	22.08	22.86	23.79	24.49	24.83
387A11	Machine Repair/Equipment Builder	20.23	20.36	20.85	21.43	22.16	22.97	23.95	24.73	25.04
411A11	Millwright	20.23	20.36	20.82	21.38	22.04	22.80	23.71	24.36	24.72
429A11	Pipefitter	20.23	20.36	20.82	21.38	22.04	22.80	23.71	24.36	24.72
447A11	Refrigeration & Air Cond. Maint.	20.23	20.36	20.84	21.43	22.13	22.93	23.89	24.63	24.96
479A11	Sheet Metal Worker	20.23	20.36	20.83	21.44	22.15	22.94	23.90	24.65	24.98
492A11	Stationary Engineer Powerhouse	20.23	20.36	20.82	21.38	22.04	22.80	23.71	24.36	24.72
509A11	Tinsmith	20.23	20.36	20.82	21.38	22.04	22.80	23.71	24.36	24.72
511A11	Tool & Die Maker	20.23	20.36	20.83	21.43	22.16	22.97	23.95	24.73	25.04
541A11	Welder	20.23	20.36	20.83	21.40	22.08	22.86	23.79	24.49	24.83
547A11	Welder, Tool & Die	20.23	20.36	20.85	21.44	22.13	22.94	23.90	24.65	24.98
551A11	Welder, Tool & Die Certified	20.23	20.36	20.83	21.44	22.15	22.94	23.90	24.65	24.98

A seniority employee is to be transferred at his or her current rate or the rate of **21.89** per hour, whichever is lower, provided however, that in no event will his or her 1st period rate be lower than a rate of ten cents (.10) over the 1st period hourly rate set forth above. Upon his or her completion of that 1st period, he or she shall be paid a rate of **20.72** or his or her first period rate, whichever is higher, and if retained, shall be paid such rate until he or she qualifies for a higher rate in accordance with the Apprentice Rate Schedule.

*This rate schedule is established in accordance with Paragraph (151) of the National Agreement.

**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

MSE TRANSITION AGREEMENT

This agreement entered into this 26th day of February, 2000, is between Rolls-Royce Allison and Local 933, UAW.

During these negotiations the parties discussed the establishment of Cellular Manufacturing based on the principles of Manufacturing Systems Engineering (MSE). The parties recognize that MSE is based on flexibility and teamwork within the work group. The parties also recognize that this level of flexibility requires extensive training of the workforce. The parties have, therefore, agreed to the following transition plan, which is intended to establish the first achievable step toward the ultimate goal of establishing complete operational flexibility within each individual MSE cell.

A. Production Classifications

1. Prior to the implementation of an MSE cell in a specific area, employees will continue to hold the classifications identified in the Local Seniority Agreement.
2. As each MSE cell is formulated, the parties will combine the classifications which are intended to be included in the cell into flexible machining functions which will include:

<u>Classification Code</u>	<u>Classification</u>
120B01	MSE Assembly
220B01	MSE EDM
240B01	MSE Gears
110B01	MSE General Assembly
390B01	MSE General Machining
260B01	MSE Grinding
430B01	MSE Heat Treat Coating
275B01	MSE Heat Treat Furnace
360B01	MSE Jobsetter
380B01	MSE Pour-Up/Braze
500B01	MSE Test
370B01	MSE Turning
545B01	MSE Welding Certified
546B01	MSE Welding General
539B01	MSE Welder, Laser

3. In order to fully understand the scope of each flexible machining function referred to in paragraph A.2., listed below are the new MSE flexible machining functions and the classifications falling within their scope:

MSE Turning (370B01)

- Lathe Special, Automatic (367B01)
- LVAT - Multiple Spindle (368B01)
- Lathe Operator Production (369B01)

MSE Grinding (260B01)

- Grinder Operator Production (249B01)
- Grinder Production (Sheffield) (254B01)
- Grinder Special, Automatic (258B01)

MSE Gears (240B01)

- Gear Operator Production (234B01)
- Gear Machinist-Special (235B01)
- Gear Machining-Bevel (237B01)

MSE Jobsetter (360B01)

- Jobsetter (350B01)

MSE Assembly (120B01)

- Aircraft Engine Rework Mechanic (104B01)
- Assembler, Engine and Propeller (128B01)
- Rework and Test, Electrical Components (450B01)
- Spin and Balance (490B01)

MSE Test (500B01)

- Test and Service Mechanic - A.E.T.S. (505B01)
- Laboratory Assistant (354B01)

MSE Heat Treat Furnace (275B01)

- Heat Treat Control Person (270B01)
- Heat Treat Furnace Operator (272B01)

MSE Heat Treat Coating (430B01)

- Painter Spray (Production) (423B01)
- Plater (433B01)

MSE EDM (220B01)

- EDM Operator (219B01)
- NC Machinist - Special Processes/EDM (419B01)

MSE Welding General (546B01)

- Welder Machine Operator (537B01)
- NC Machinist Special Processes - Welder (420B01)
- Weld and Braze Control Operator (536B01)

MSE Welding (Certified) (545B01)

- Welder Certified (542B01)

MSE Welder, Laser (539B01)

- Welder, Laser (540B01)

MSE General Machining (390B01)

- Deburr Machining General (206B01)
- Machining General (389B01)
- Rolling Mill (452B01)
- Hydraulic Press (278B01)

MSE General Assembly (110B01)

- Assembler General (136B02)
- Assembler, Skilled (138B01)
- Tap and Stud Hand (501B01)

MSE Pour -Up/Braze (380B01)

- Furnace Operator, Braze and Alloy (228B01)
- Furnace Operator (Production Line) (230B01)
- T B and A Qualifier (474B01)

As specific areas are transitioned to MSE cells, employees holding the classifications of Laboratory Machinist Set-up (356B01), Metallizing Special (400B01), Salvage & Rework Mechanic (454B01), FMS Operator (224B01), Production Machining Special (441B01), Screw Machine, Automatic (Multiple Spindle) (462B01), Set-up Screw Machine, Automatic (Multiple Spindle) (470B01) or Grinder Special Automatic (Set-up) (259B01) will either be transitioned into one of the MSE flexible machining functions outlined above or remain stand-alone in their current classification (see chart in Paragraph B.4.) of this MSE Transition Agreement, as jointly determined by the Shop Committee and Labor Relations.

B. Establishment and Population of MSE Cells

1. At least one month prior to the formation of a new MSE cell, Labor Relations and the Shop Committee will meet to review and discuss all of the issues involved. Soon thereafter the Shop Committee, Labor Relations and the Management of the new MSE cell will meet with the employees currently populating the departments and/or performing the work which will be performed within the new cell. During this meeting the employees will be informed of the work to be performed by the cell, the classifications to be utilized within the cell and the targeted implementation date for the cell. The impacted

employees will be given time (no longer than two weeks) to consider whether they want to be assigned to the new cell in one of the new MSE classifications. Employees from the impacted departments who have not declined the opportunity will be selected for cell assignments on the basis of their seniority, oldest seniority first. Should this process not be successful in filling all of the initial staffing requirements of the cell, applications will be accepted on a company-wide basis for a specified time period, which shall be established by labor relations and the shop committee. Such applications will be honored on a seniority basis, oldest seniority first.

2. Employees accepting positions within a cell on the basis of paragraph B.1. will be treated as having exercised transfer agreement rights identified in of the Local Transfer Agreement and will be subject to the provisions of paragraph II.C.2. and 3. of the Local Transfer Agreement. The parties agree that the provisions of paragraph II.A. of the Local Transfer Agreement will not apply for employees applying for a cell position from within a department performing work which will be performed within a new cell.
3. During the period of training associated with the formation of each new MSE cell, the employees assigned to the newly combined classifications will be given the basic and specific training necessary to enable them to demonstrate that they are fully qualified to satisfactorily perform all requirements of the new classification.
4. In administering the wage provisions associated with the transfer of employees to the MSE classification the parties agree to establish a four step incentive process which recognized the employee for (1) accomplishing the basic level of competency, (2) accomplishing the specific level of competency, (3) entering training for the "Certified Quality Operator" status (4) with the final incentive achieved when the employee demonstrates that he or she is fully qualified to satisfactorily perform all of the requirements of the "Certified Quality Operator" status. This process will be administered in accordance with the following chart:

- * Addendum to A., 2., above.
 222B01 MSE Evansville Operator
 551B01 MSE Evansville - Welder Certified

2000 MSE Classifications and Rates

MSE Classifications	Combination Rate With Basic Competency	Specific Competency	Start Certified Operator	Complete Certified Operator	New Rate With Bonus
	(Step 1)	(Step 2)	(Step 3)	(Step 4)	
Jobsetter	\$20.09	\$0.38	\$0.25	\$0.25	\$20.97
EDM	\$19.76	\$0.25	\$0.25	\$0.25	\$20.51
Gears	\$19.76	\$0.25	\$0.25	\$0.25	\$20.51
General Machining	\$19.73	\$0.27	\$0.25	\$0.25	\$20.50
Grinding	\$19.76	\$0.25	\$0.25	\$0.25	\$20.51
Turning	\$19.76	\$0.25	\$0.25	\$0.25	\$20.51
Pour-up/Braze	\$19.76	\$0.25	\$0.25	\$0.25	\$20.51
General Assembly	\$19.76	\$0.25	\$0.25	\$0.25	\$20.51
Assembly	\$19.88	\$0.28	\$0.25	\$0.25	\$20.66
Test	\$20.00	\$0.26	\$0.25	\$0.25	\$20.76
Heat Treat Coating	\$19.66	\$0.29	\$0.25	\$0.25	\$20.45
Heat Treat Furnace	\$19.86	\$0.25	\$0.25	\$0.25	\$20.61
Welding General	\$19.86	\$0.25	\$0.25	\$0.25	\$20.61
Welder Certified-Evans	\$20.19	\$0.28	\$0.25	\$0.25	\$20.97
Welding Certified	\$20.19	\$0.28	\$0.25	\$0.25	\$20.97
Welder, Laser	\$20.19	\$0.18	\$0.25	\$0.25	\$20.87
Evansville Operator	\$20.19	\$0.18	\$0.25	\$0.25	\$20.87
Metallizing, Special	\$19.66	\$0.09	\$0.25	\$0.25	\$20.25
Salvage & Rwk. Mech.	\$20.05	\$0.11	\$0.25	\$0.25	\$20.66
PMS	\$20.09	\$0.13	\$0.25	\$0.25	\$20.72
FMS	\$20.09	\$0.18	\$0.25	\$0.25	\$20.77

C. Seniority Issues

1. The production MSE classifications will be considered a part of the non-interchangeable occupational group in the Local Seniority Agreement.
 - a. When seniority employees are transferred to MSE classifications for the first time the employees will retain seniority in the classification from which they were transferred until such time as they have demonstrated the basic requirements of the MSE classification to which they have been transferred or a period of thirty (30) days, whichever is less.

- b. When seniority employees are transferred from a MSE classification in one MSE cell to the same classification in another MSE cell they will establish seniority immediately upon transfer.
2. As the new MSE classifications are populated by employees, such employees will establish a recall or flow right back to a classification that has been combined into one of the new MSE classifications after demonstrating specific competency in the new cell assignment and by applying for such recall or flow right as specified in the Local Seniority Agreement.

D. Training Requirements

The parties recognize that in order to properly implement MSE cells and improve the operational effectiveness of Rolls-Royce Allison, and in order to successfully utilize the flexibility growing out of the newly combined MSE flexible machining functions agreed to by the parties, a training effort must be undertaken which requires a joint commitment by both management and the union.

1. Basic Comprehension

In order to accomplish the above, the parties will establish a joint task force which will jointly determine the training necessary to demonstrate basic comprehension of the materials and the ability to perform the basic requirements for each of the following generic production job categories, as well as the time limits for accomplishing the training.

- a. Machining
- b. Inspection
- c. Furnace and Plating Operation
- d. Assembly and Test
- e. Joining and Forming

2. Specific Comprehension

Thereafter, the joint task force will work with representatives from each Small Business Unit (SBU) and service department to determine the training necessary to demonstrate the full comprehension of the materials and the ability to perform the specific requirements for each classification in the MSE cells or service department in order for employees to satisfactorily accomplish the work for which they are responsible, as well as the time limits for accomplishing the training. The joint task force will develop the specific training plan and timing requirements for each MSE cell as it is being implemented so that each employee transitioning to the cell will be aware of the time limits he or she may anticipate for acquiring specific comprehension.

3. After the appropriate training, as defined above, has been either developed or acquired by the joint task force, appropriate mutually developed evaluation procedures will be implemented to insure that employees assigned to the new classifications have received required basic and specific training and are fully equipped to perform all aspects of the job.
4. It is understood that an employee who has satisfactorily performed the work associated with any of the classifications which have been combined to form one of the new MSE classifications for a period of six (6) months or more will be considered to have basic comprehension of the materials and the ability to perform the basic requirements for placement within that classification. Thereafter, the employee will be given training necessary to demonstrate the full comprehension of the materials and the ability to perform the specific requirements within the cell to which he or she is being assigned. After having satisfactorily completed the training in the specific requirements for the job the employee will begin the training for the "Certified Quality Operator" designation within his or her MSE classification as described in the Local Wage Agreement.
5. When an employee is transferred to an MSE classification requiring demonstrated comprehension of the material and the ability to perform the work and is not able or willing to satisfactorily complete the mutually developed evaluation procedure, he or she will be transferred in accordance with the Local Seniority Agreement.
6. The parties also recognize that the implementation of this MSE training plan, as well as all of the other training necessitated by the implementation of the Business Process Re-engineering throughout the Company and the renewed emphasis on employee development for all Rolls-Royce Allison hourly and salaried employees since our acquisition by Rolls-Royce, necessitates a dedicated joint training facility which can be used to satisfy these increased training requirements. The parties have committed themselves to jointly determining the requirements for such a training facility and the most appropriate method of implementing a plan to provide such a facility. The funds necessary to construct such a facility, or refurbish existing Rolls-Royce Allison facilities, will be provided from the funds accrued in accordance with the provisions of the 1993 Rolls-Royce Allison UAW Agreement.

E. Skilled Trades Support

During these negotiations the parties extensively discussed the skilled trades support necessary to successfully implement the MSE cellular manufacturing concept. The parties recognize that skilled trades service to the MSE cells can best be accomplished by self directed skilled trades work teams. In an effort to transition to this type of working environment, the parties agree to establish a pilot MSE service group which will be used to formulate the guidelines to be used in forming future skilled trades MSE service groups. This initial MSE service group will function as a separate skilled trades zone. The 1997 collective bargaining agreement and all supplements will govern these groups.

F. Transition of Indirect Support Functions

During these negotiations the parties recognized that over a period of time cell operators will begin to assume certain duties currently performed by hourly support personnel and/or salaried employees. Some of the functions MSE cell operators will eventually assume include:

1. Setting up and operating numerically controlled and conventional machines and special processes directly associated with the cell.
2. Accepting sign-off responsibility for the quality of the parts they are producing either on an in-process basis or on a final inspection basis.
3. Controlling the cell inventory, including movement of parts and material within and between the cells comprising an SBU using an appropriate conveyance device, tracking inventory and work in progress (WIP), establishing schedules and establishing and maintaining control boards. Such operator assignments will not preclude the assignment of employees classified as Inventory Controller to a particular SBU where the geographical location of the various SBU cells makes such an assignment more appropriate or the particular work flow necessitates such an assignment.
4. Performing routine preventative maintenance and lubrication of machinery during normal operations.
5. Training other operators.
6. Maintaining and dispersing supplies of perishable tooling and other work related supplies within the SBU.
7. Maintaining a clean and orderly work area.

The parties recognize that this transition will occur over a period of time and that ultimately groups of employees currently performing these support duties in the traditional manner will be transitioned to production positions within future MSE cells.

G. Unforeseen Issues

The parties have pledged themselves to ensuring that the transition of duties identified above will occur at a pace guided by the implementation of MSE cells. Any problems associated with the implementation of this MSE Transition will be addressed by the Shop Committee and Labor Relations in their regularly scheduled shop committee meetings and a solution to the problems will be determined by that group in a continuing spirit of cooperation.

H. Termination Clause

This agreement shall continue in full force and effect until terminated by either party or changed by consent of both parties. Either party may terminate this agreement by giving sixty days notice in writing. If either party desires to modify or change the agreement, it shall, at least sixty (60) days prior to the date when it proposes that such change or modification becomes effective, give notice in writing of the proposed changes or modifications. The other party, within ten (10) days after receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

1. Notice of Ratification

This agreement is subject to written notice of ratification by the Local Union to be given to the Local Management not later than the 25th day of February, 2000. After such notice of ratification is received from the Local Union by Management, this agreement will be effective as provided for herein upon approval of the International Union, UAW.

MSE TRANSITION DOCUMENT

Local 933, UAW

Robert D. Woodcock

Stephen W. Delano

John Fart

Dean Farley

Mike Maraldo

Richard Anonett

Rolls - Royce Allison

Lee Rhyant

Reeder Singler

John Dearth

Cornell Brooks

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

International Union

Stephen P. Yokich

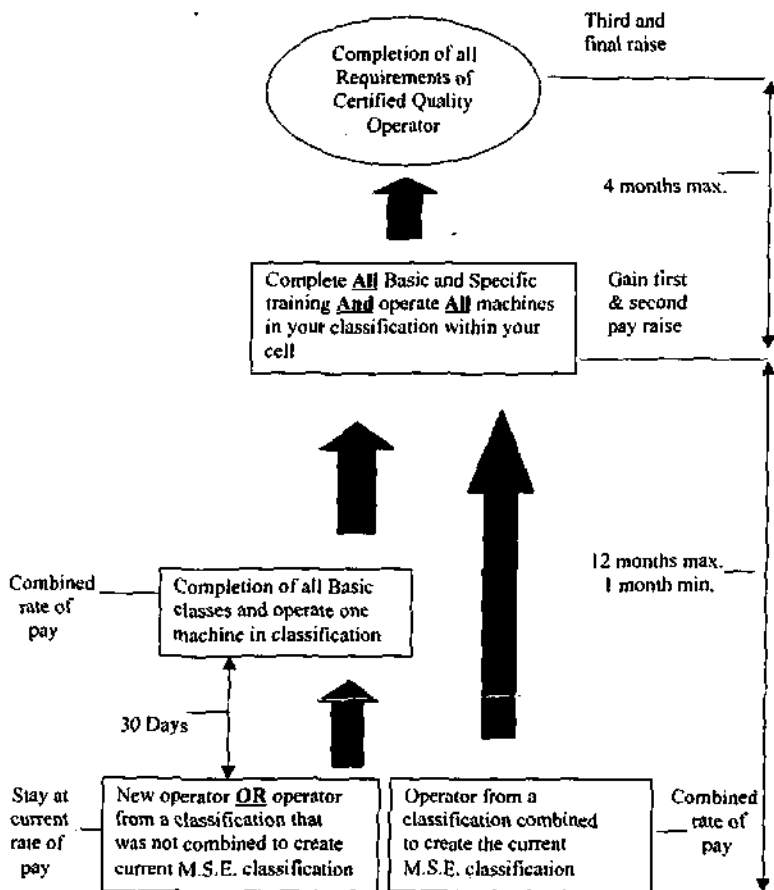
Ron Gettelfinger

Frank Musick

Mary K. Riordan

Tom Ladd

Certified Quality Operator



**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

OUTSIDE CONTRACTING PROCEDURE

MEMORANDUM OF UNDERSTANDING

In an effort to improve the competitive position of the Rolls-Royce Allison skilled trades workforce to provide greater job security for Rolls-Royce Allison skilled trades employees, the parties agree to the following Outside Contracting Procedure:

This jointly developed outside contracting procedure will be first applicable to any new and/or rework tools, dies, fixtures and gauges utilized by this company which are being contemplated for outside contracting. After a successful trial period, the procedure may be utilized on contemplated outside contracting of construction work and/or test equipment and fixture work performed by skilled trades employees of this company. The proper utilization of this procedure should eliminate future outside contracting disputes at this company.

It is agreed between the parties that the following process will be utilized in addressing the outside contracting issues at this company.

This process includes the notification procedures, estimating procedures where applicable, and support procedures concerning these issues.

I. General Provisions

A. The governing body or a member thereof will be notified when Management is contemplating sending work outside for the following reasons:

1. Lack of manpower, skills, equipment and facilities to perform such work.
2. The work cannot be performed competitively in quality and cost or within the projected time limits.
3. When appropriate new technology will be utilized.

B. Tool Room type rework normally performed in-house will be done in-house, providing the capacity exists to perform such work competitively in quality and cost.

C. Rework of Model Shop type work normally performed in-house will be performed in-house, provided the capability and capacity exists to perform such work.

II. Notification Procedures

Notification is mandatory to jointly inform Labor Relations and the Union Shop Committee of contemplated outside contracting work.

A. Notification will be made for the following:

1. Maintenance/construction work
2. Service contracts/lease agreements
3. Machine overhaul and rebuild.
4. Tools, dies, fixtures, gauges, and test equipment and fixture work (new and/or rework) that are to be utilized at this division.
5. Experimental engine hardware that is associated with new models and model changes.

B. Method of Notification

1. Notification for maintenance and construction type work will be made on the standard Labor Relations form when outside contracting is contemplated (i.e., 30 day target).
2. Notification for Tool Room, Model Shop type work will be made to the appropriate Shop Committeeman or his designated Representative when Management is contemplating contracting this work out.
3. Periodic update meeting will be held, relative to new projects/program scheduled, for joint skilled Labor Relations and Shop Committee Representatives.

III. Estimating Procedure

An estimating team will be established for the preparation of detailed cost estimates on the work Management is contemplating sending outside for economic reasons.

A. Estimating Team Selection Process

1. The estimating team coordinator, team members and their alternates will be selected by the Chairman of the Shop Committee or his representative.
2. The coordinator/estimator will request input from the Support Team members, and will advise their supervisor in advance of the need for their input.

B. Coordinator/estimator and Team members will receive training in the estimating process.

C. Estimating Team Assignments

1. The governing body will consist of the Chairman of the Shop Committee, the Skilled Trades Shop Committeemen and the appropriate members of the Labor Relations staff.
2. Estimating assignments for maintenance construction type work will be made on an "as needed" basis by the Chairman of the Shop Committee or his designated representative. The supervisors of employees selected for the assignment will be notified in advance of the need for them to function in this capacity.
3. Final authority over use of the estimating team shall be the responsibility of the governing body or their designated representative.
4. The maintenance and construction estimating teams will be assisted by a salaried advisor.
5. The Tool Room coordinator/estimator will be notified to function as needed by the Chairman of the Shop Committee or his designated representative. The coordinator/estimator's supervisor will be notified in advance of the need for him to function in that capacity.
6. The existing coordinators for the Model Shop and the Maintenance Trades will continue to perform their duties, as they have during the 1987 Agreement.

D. Estimating Team Responsibilities

1. The coordinator/estimator will monitor performance and address problem areas.
2. Completed in-house estimates will be submitted to the appropriate areas within the same time frame comparable to the outside contractors's estimates.
 - a. Completed estimates will be submitted to Labor Relations, Shop Committee and the Purchasing Department.
 - b. In cases where the in-house estimates are not competitive, and the contract is let to the outside contractor, the outside cost information will be made available to the governing body.

E. Estimate Analysis

1. When considering whether work will be performed in-house or outside the primary consideration will be the hours required to accomplish the work in-house versus the outside bid.

2. The fact that overtime work may be required in order to perform the work in question will not be the sole reason for sending the work outside.
3. A bid history will be established for each potential vendor, including each bidding trade within Rolls-Royce Allison. This history will include all bids on which this procedure has been utilized and each vendor's performance versus the original bid will be accumulated. All rework of tools, dies, fixtures and gauges will be charged back against the original bid. Also, any charge levied by the vendor for design changes after the original bid was accepted, which is in excess of an independently established reasonable charge for the design change, will be charged back against the original bid.
4. It is recognized that some time may be required to develop an in-house estimating team and to become competitive with outside tool sources. For these reasons the performance comparison analysis data will be accumulated continuously but will not be used to adjust bids until mutually determined by the governing board (no later than one year after the implementation of this agreement). At that time all bids will be factored by the vendor's preceding 12 month bid history or the preceding ninety (90) day bid history for the Rolls-Royce Allison bidding trade.

IV. Termination Clause

This Memorandum of Understanding shall continue in full force and effect until terminated by either party or changed by consent of both parties. Either party may terminate this portion of the Memorandum of Understanding by giving sixty days notice in writing. If either party desires to modify or change this portion of the Memorandum of Understanding, it shall, at least sixty days prior to the date when it proposes that such change or modification becomes effective, give notice in writing of the proposed changes or modification. The other party, within ten days after receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

V. Notice of Ratification

This Agreement is subject to written notice of ratification by the Local Union to be given to the Local Management not later than the 25th day of February, 2000. After such notice of ratification is received from the Local Union by Management, this Agreement will be effective as provided for herein upon approval of the International Union, UAW.

Local 933, UAW

Rolls - Royce Allison

Robert D. Woodcock

Lee Rhyant

Stephen W. Delano

Reeder Singler

John Farr

Dean Farley

Mike Maraldo

Richard Amonett

John Dearth

Cornell Brooks

Mick Nickles

Jeff Deaton

Steve Fitzpatrick

International Union

Stephen P. Yokich

Ron Gettelfinger

Frank Musick

Mary K. Riordan

Tom Ladd

**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

OUTSIDE CONTRACTING PROCEDURE - ELECTRIC MOTORS

MEMORANDUM OF UNDERSTANDING

During the 1990 Local Negotiations the parties discussed the repair of electric motors by bargaining unit employees. It was agreed that when skilled trades employees are performing repairs on machines which have electric motors and it is determined that the motor is in need of repair, the skilled trades employees on the job will make the initial determination whether the motor should be repaired in-house or sent to the outside for repair. If determination of the tradesmen is that the motor should be sent outside for repair, this fact will be recorded on a form which will accompany the motor during the repair process and be used for subsequent tracking of the motor's repairs. This settlement is not intended to eliminate the motor shop.

Local 933, UAW

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International Union

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Frank Musick

Rolls - Royce Allison

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Reeder Singler

John Dearth

Cornell Brooks

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Mary K. Riordan

Tom Ladd

**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

FIRE PROTECTION AND FIRST AID

MEMORANDUM OF UNDERSTANDING

During the 1990 Local Negotiations the importance of plant fire protection and the administering of first aid in emergency situations was given a high priority by both parties. As a result of these discussions it was agreed that permanent plant security officers will be required to annually attend an approved Red Cross first aid course which will include CPR training. Furthermore, in an effort to provide adequate response capabilities to plant fire emergencies, annual training in the functions and capabilities of in-house fire protection equipment will be given to all members of the Rolls-Royce Allison Fire Brigade. Wayne Township Fire Department will continue to provide supplemental fire protection for Rolls-Royce Allison if needed.

Local 933, UAW

Rolls - Royce Allison

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**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

TRANSITION OF OILER DUTIES

MEMORANDUM OF UNDERSTANDING

In order to facilitate a smooth transition of machine lubrication responsibilities and to ensure adequate machine maintenance, the following transition plan is agreed to between Management and the Union:

- A. Within six (6) months after the effective date of the new local agreement:
 - 1. A joint training program will be developed for all machine operators.
 - 2. Plant Engineering will develop a system to identify the appropriate type of oil for each machine.
 - 3. Remote drop points accessible to each department will be established.
 - 4. Plant Engineering will investigate the feasibility of providing more automatic (Tee-Box) fill systems for critical machines.
 - 5. Plant Engineering will attempt to consolidate existing oil inventory into a few all purpose oils.
- B. Thereafter, training will be implemented as follows:
 - 1. Departments 4556, 4558, 4585, 0575, and 0576 will constitute the pilot area. Every machine operator in Manufacturing departments of that area and supervisors of the machine operators will be trained.
 - 2. Training will be approximately 4 - 8 hours.
 - 3. Once an operator has been trained he or she will perform all routine oiling tasks. Until that time the work will be the responsibility of employees assigned to the "Oiler" classification.
- C. Management and the Union will review progress of this plan after completion of the training in the pilot area to determine and resolve any necessary modifications before the parties jointly schedule the remaining phases of the implementation plan.

Local 933, UAW

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**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

OPERATING RESPONSIBILITIES

MEMORANDUM OF UNDERSTANDING

It is agreed between the parties that machine operators shall have the responsibility for maintaining the cleanliness of their work area and for chipping their own machines and segregating chips into appropriate chip containers for removal by employees assigned to the appropriate classification. If supplemental help is needed in performing these functions such help will be provided by employees assigned to the "Factory Maintenance" classification within the respective Plant Manager's area. It is understood that common sense will dictate the need for such supplemental help on a regular basis in certain areas of the plant during both straight time and overtime hours, and Management will equitably distribute overtime hours to such employees. In the case of a dispute regarding the need for supplemental assistance the appropriate Union Representative may take the issue to the Plant Manager for resolution. Failing resolution at this step, the issue may be directed to Labor Relations for settlement.

Local 933, UAW

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**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

WELDER PRODUCTION (CERTIFIED) REDUCTION

MEMORANDUM OF UNDERSTANDING

If in the event of a workforce reduction, the least senior employees affected are in the Welder Production (Certified) classification, Management and the Union agree that the more senior reduced employee in line to displace the employee assigned to the "Welder Production (Certified)" classification will be enrolled into a 5 week welder certification training program which will include certification testing. During the training and certification procedure the least senior employee to be displaced will be retained. Once the more senior employee becomes certified, the least senior employee will be displaced. The parties recognize that in circumstances such as these, Management and the Union will mutually resolve such issues to give full protection to the efficiency of the operation.

Local 933, UAW

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**ALLISON ENGINE COMPANY
INDIANAPOLIS, INDIANA**

SINGLE CRYSTAL OPERATIONS

MEMORANDUM OF UNDERSTANDING

- A. During these negotiations the parties held lengthy discussions regarding the Allison Engine Company Single Crystal Operations (SCO) agreement reached by the parties in 1992. The parties agreed that the 1992 agreement did not accomplish the original objectives and required substantial alterations to be effective.
- B. The parties hereby agree to change the scope of work to make bargaining unit employees responsible for performing all "hands-on" work within the Single Crystal Operation.
- C. Recognizing the differences brought to the negotiating table by the parties relative to SCO, the following understandings were reached in order to provide a mutually suitable position for both the Union and Management:
1. Upon ratification of the 1997 Allison Engine Company/UAW agreement, a Joint team comprised of representatives of Management and representatives from the Union appointed by the Chairman of the Shop Committee, will begin a review of the current structure of the SCO workforce, including both the current represented employees and the Salary and/or contract employees performing hands-on work.
 2. The parties have agreed that employees holding the EIT classification of Experimental Single Crystal Developer will be retained in their classification at a level of staffing required to support Research and Development work within the SCO facility. The specific duties of this group will be developed and agreed to by the joint team. While it is understood that the primary role of employees classified as Experimental Single Crystal Developer will be to support R&D efforts, certain work associated with production parts may fall within their job scope (i.e., crystal verification, etc.).
- D. The Joint team will review the current level of production work within the SCO facility and convert an appropriate number of either Salaried or Contract employees (based on current production volume) currently engaged in "hands-on work" on a full time basis to hourly bargaining unit status. These employees will perform the duties associated with the previously utilized breakdowns of Type I, Type II and Type III work as well as wax work associated with the research and development phases of SCO parts. These employees will be assigned to the classification structure recommended by the Joint Team and perform the work associated with their new classification as specified by the Joint Team.

1. Former Salary or Contract employees transitioning to represented bargaining unit status will do so at a rate and step represented on the rate progression schedule of the appropriate classification to which they are assigned which is equal to or higher to the rate they are presently drawing. Once they have been placed at such a rate and step within the progression, they will have their rate adjusted according to the time frames and percentages identified in the rate progression schedule of Paragraph 98 of the National Agreement with the following exception. Such employees will remain at their initial percentile position until they have worked a period of time equal to the period of time it would have taken to achieve that percentile position as a regular new hire covered by Paragraph 98 of the National Agreement.
2. Employees transitioning to one of the newly established SCO classifications will be treated as if they had exercised Transfer Agreement rights when they are assigned to the classification and therefore they will be subject to the 12 month time frame for any future transfers. In applying the provisions of section IV, A. 4. of the Local Seniority Agreement, non-skilled trades SCO classifications will not be included in the definition of "available opening". However, an eligible laid off employee may make application to return to work in one of the production SCO classifications and be placed in such classification by displacing a less senior employee. This application to return to work shall be made on the form provided for that purpose and a copy shall be furnished to the employee at the time of layoff.
3. During the transition process the Joint team will also review the feasibility of insourcing the cutting of seed bars and other work which might fall within the technical capability of the facility on the basis of competitiveness.
4. The Joint Team will also review and make recommendations regarding the performance of maintenance and machine repair work within the SCO facility.
5. The parties have agreed that the Joint team will have 90 days from the date of ratification of the Allison Engine Company / UAW agreement to complete this transition.

SINGLE CRYSTAL OPERATIONS
MEMORANDUM OF UNDERSTANDING

Local 933, UAW

Robert D. Woodcock

Stephen W. Delano

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Mike Maraldo

Richard Amonett**International Union**

Stephen P. Yokich

Ron Genettlinger

Frank Musick

Mary K. Riordan

Tom Ladd**Rolls - Royce Allison**

Lee Rhyant

Reeder Singler

John Dearth

Cornell Brooks

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

SINGLE CRYSTAL OPERATIONS

**SUPPLEMENT TO THE 1997
MEMORANDUM OF UNDERSTANDING**

EFFECTIVE FEBRUARY 2000

- A. This addendum to the supplement of the 1997 Memorandum of Understanding shall serve to resolve the issues discussed during 1999 negotiations.
- B. The following classifications shall perform the work associated with producing product at SCO. Any future adjustments will be made in accordance with the applicable agreements.
1. **Assembler Wax Quality Operator-SCO** - The functions of this classification shall include all operations associated with creating wax components for experimental operations. It is understood that production wax will continue to be purchased.
 2. **Casting Producer Quality Operator-SCO** - The functions of this classification shall include operations associated with shell/burn out, cast, crystal verification preparation, met tab preparation, mold preparation for casting, casting furnace operation, cleaning the vapor ring and changing the melt pot, cleaning the casting furnace, loading and unloading the casting furnace, raising molds, loading alloy, alloy melting, pouring and mold withdrawal, ending the cycle and dropping the mold, knockout, packing and shipping, and casting data input.
 3. **Inspector, NDT-SCO** - The functions of this classification shall include crystal verification, fluorescent penetrant inspection, air and water flow, dimensional inspection and preparation of associated quality documents per the SCO Quality Plan. Employee Brian Smith shall remain Inspector, NDT-SCO, Leader/Trainer and shall be paid at the same rate as Experimental Single Crystal Developer. Journey person, as long as he is assigned to SCO in this classification. He shall have shift preference and overtime rights in the Inspector, NDT-SCO classification.
 4. **Experimental Single Crystal Developer** - The functions associated with this classification shall include replacing thermocouples and protection tubes, changing and aligning power coils, and research & development furnace work at RRA facilities in the Indianapolis area.
 5. The classifications of Casting Producer Quality Operator-SCO, Inspector, NDT-SCO and Experimental Single Crystal Developer shall perform the functions described above for product designated as experimental or productive.

C. The parties shall investigate the insourcing of work based on competitiveness. Management shall provide information relating to the cost of production wax and other work which might fall within the technical capability of the facility and the joint team shall develop an estimate for the purpose of investigating the insource of this work on the basis of competitiveness.

Local 933, UAW

Robert D. Woodcock

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Rolls-Royce Allison

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Reeder Singler

John Dearth

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Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

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July 29, 1999

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: SCO Wages

Dear Mr. Woodcock:

Pursuant to our lengthy discussions during this collective bargaining session, the Company has agreed to address the base rate wage adjustments at SCO by making the following changes to the structure:

- 1) Upon completion of one (1) year of service, employees within the Casting Producer Quality Operator-SCO and Assembler, Wax-SCO classifications will have their base wage adjusted to equal that of the Assembler, Skilled classification, and
- 2) Subsequently, all future increases provided for within the Wage Rates and Progression Schedule applicable to the Assembler, Skilled classification will also apply to the Casting Producer Quality Operator-SCO and Assembler, Wax-SCO classifications.

These agreed upon changes will be reflected in a Memorandum of Understanding prior to the signing of the 2000 Agreement.

Sincerely,

Reeder Singler
Director, Human Resources

**ALLISON ENGINE COMPANY
INDIANAPOLIS, INDIANA**

EVANSVILLE OPERATIONS

MEMORANDUM OF UNDERSTANDING

1. The parties recognize that the Allison Engine Company Evansville Operation is a separate facility which requires a team environment to ensure that the Evansville facility is competitive in the new business venture for which it is being established.
2. The bargaining unit employees at the Evansville facility will be represented by Local 933, UAW, Maywood Bargaining unit.
3. Indianapolis Allison Engine Company applicants will be given first opportunity for placement on all bargaining unit jobs at the Evansville facility. Failing any interested candidates from Allison Engine Company, the provisions of the National Agreement will apply. Should the placement of Indianapolis Allison Engine Company employees at Evansville create an adverse impact on the competitiveness of the Indianapolis operations, the parties agree to resolve those issues in a continuing spirit of cooperation.
4. Selection
 - A. For the initial selection, Allison Engine Company facilities will be posted for 14 calendar days to inform employees that they may apply for the classifications associated with the Evansville Facility. This posting will specify the qualifications, work scope, work environment and wage rates associated with the classifications. Further, an application period will be specified in this posting during which employees may submit applications. Thereafter, openings will be filled in accordance with the Local Transfer Agreement and National Agreement.
 - B. An employee who is medically restricted will be examined prior to placement by the Medical Department to determine if he or she is physically able to do the job.
5. The initial employees who apply and are assigned to work at the Evansville facility and who relocate to that community will be reimbursed on a one time basis for relocation expenses in a manner consistent with the National Agreement. This is being done without prejudice to either parties' position and will not be referred to in future relocation situations. Thereafter relocation will only be paid when the move is management initiated.
6. The newly created classification of Evansville, Certified Operator (ECO), will be included in Paragraph IV.A.5. of the Local Seniority Agreement.
7. The parties agree that an addendum will be added to Appendix A of the Local Seniority Agreement (Attachment #1).

8. The parties agree the newly established classification of ECO will be added to the Local Transfer Agreement. The parties further agree that employees who are transferred into the classification of ECO will be precluded from making additional applications for a period of 18 months from the date of transfer.
9. The parties agree that Supplement No. 2 (Attachment #2) will be added to the Local Wage Agreement, subject to the approval of the International Union, UAW.
10. If there are permanent 40 hour needs (i.e. 160 hours per month) for specific skilled trades classifications at Evansville, management agrees to place the appropriate trade. If there is work that is of a temporary nature (40 hours but less than 160 hours) then either the appropriate tradesman from Indianapolis will be assigned to Evansville temporarily or a subcontracting proposal will be issued.
11. The parties agree that subcontracting decisions at the Indianapolis Operations or the Evansville Operations will not impact the overtime work schedule of the other facility.
12. It is recognized that various unforeseen issues may arise during the operation of the Evansville facility. The parties pledge themselves to resolving those issues in a continuing spirit of cooperation so as to ensure the future job security of Allison employees and the competitiveness of our division. It is agreed that such issues will only be addressed by the Shop Committee and Labor Relations Staff.
13. This agreement shall continue in full force and effect unless terminated by either party or changed by consent of both parties. Either party may terminate this agreement by at least sixty days notice in writing. If either party desires to modify or change this agreement, it shall, at least sixty (60) days prior to the date when it proposes that such change or modification becomes effective, give notice in writing of the proposed changes or modifications. The other party, within ten (10) days of receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

LOCAL 933, UAW

Don Newton
 Jim Laudick
 Richard Amonett
 John H. Sandlin
 Charles Spears
 John Farr
 Sergio Gonzalez

ALLISON ENGINE COMPANY

P. B. Alexander
 Wilson Burns
 Robert M. Plummer
 R. T. Graham, Jr.

Attachment #2

**ALLISON ENGINE COMPANY
INDIANAPOLIS, INDIANA**

1990 LOCAL WAGE AGREEMENT, SUPPLEMENT NO. 2

- 1) Agreement entered into September 23, 1990 between Allison Engine Company and Local 933, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.
- 2) The following classification and wage rate are hereby added to the Local Wage Agreement dated September 23, 1990.
- 3) It is understood that this supplement is subject to the approval of the Corporation and International Union.

	<u>RATE</u>	<u>NON-INTERCHANGEABLE OCCUPATIONAL GROUP</u>
Evansville, Certified Operator	\$16.73	224B01 Production

LOCAL 933, UAW

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International Union, UAW

ALLISON ENGINE COMPANY

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Wilson Burns

Robert M. Plummer

R. T. Graham, Jr.

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**Rolls-Royce Allison
Evansville Operations**

Memorandum of Understanding

- 1. The Evansville Operation of Rolls-Royce Allison is a separate facility which requires a team environment to ensure it remains competitive in the business venture for which it was created.**
- 2. Bargaining unit employees at the Evansville facility will be represented by Local 933, UAW, Maywood Bargaining Unit.**
- 3. A newly established classification of Evansville - Inspection Certified. Employees holding this classification will be required to certify in the areas of Fluorescent Penetrant Inspection (FPI) and Ultrasonic Inspection (C Scan). In addition, these employees will be required to become proficient in CMM inspection, Met Lab functions and all other routine inspection procedures utilized within the facility. It is understood nothing in this paragraph will preclude employees within other classifications from checking their own work using FPI, C Scan, CMM and Met Lab, as well as performing other inspection duties associated with their job.**
- 4. A newly established classification of Evansville - Welder Certified. Employees holding this classification will be required to certify in all types of production welding utilized within the Evansville facility. In addition, these employees will be required to become proficient in the area of robotic welding and spot welding.**
- 5. The current classification of Evansville Operator will be amended to reflect the newly established classifications listed above. Routine inspection procedures associated with the Evansville Operator duties will continue to be performed by employees within the Evansville Operator classification.**
- 6. The newly established classifications of Evansville - Inspection Certified and Evansville - Welder Certified will be included in Paragraph IV.A.5 of the Local Seniority Agreement.**

7. The parties agree that an addendum will be added to Appendix A of the Local Seniority Agreement (Attachment #1).
8. The parties agree that Supplement No. 2 (Attachment #2) will be added to the Local Wage Agreement.
9. Openings within the newly established classifications of Evansville - Inspection Certified and Evansville - Welder Certified will be populated by Evansville employees in accordance with the Local Transfer Agreement. An employee who is medically restricted will be examined prior to placement by the Medical Department to determine if he/she is physically able to perform the job.
10. The parties agree the newly established classifications of Evansville - Inspection Certified and Evansville - Welder Certified will be added to the Local Transfer Agreement. The parties further agree that the employees who are transferred into these classifications will be precluded from making additional applications for a period of twelve (12) months from the date of transfer. Employees transferred into either of these classifications who are unable to satisfactorily pass the required tests within the appropriate time limits will be returned to the last classification which they satisfactorily performed, seniority permitting.
11. Employees asked to relocate by Management will be reimbursed on a one-time basis for relocation expenses in a manner consistent with the National Agreement.
12. If there are permanent 40 hour needs (i.e. 160 hours per month) for specific skilled trades classifications at Evansville, management agrees to place the appropriate trade(s). If there is work of a temporary nature (40 hours but less than 160 hours) then either the appropriate tradesman from Indianapolis will be assigned to Evansville temporarily or a subcontracting proposal will be issued.
13. The parties agree that subcontracting decisions at Indianapolis or Evansville will not impact the overtime work schedule of the other facility.
14. It is recognized that various unforeseen issues may arise during the operation of the Evansville facility. The parties pledge themselves to resolving those issues in a continuing spirit of cooperation so as to ensure the future job security of Rolls-

15. Royce Allison employees and the competitiveness of our business. It is agreed that such issues will only be addressed by the Shop Committee and Labor Relations Staff.

15. This agreement shall continue in full force and effect unless terminated by either party or changed by consent of both parties. Either party may terminate this agreement by providing at least sixty (60) days notice in writing. If either party desires to modify this agreement, it shall, at least sixty (60) days prior to the date when it proposes that modification becomes effective, give notice in writing of the proposed modifications. The other party, within ten (10) days of receipt of said notice, shall either accept or reject the proposal or request a conference to negotiate the proposal.

Local 933, UAW

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Attachment #1

APPENDIX A

1. Non Interchangeable Occupational Group (Production)

Evansville - Inspection Certified

MSE Evansville - Welder Certified

MSE Evansville Operator

Attachment #2

Local Wage Agreement, Supplement No. 2

	Rate	Non Interchangeable Occupational Group
Evansville - Inspection Certified	\$20.19*	Production
MSE Evansville - Welder Certified	\$20.19	Production
MSE Evansville Operator	\$20.19	Production

- * After successfully passing the Level 2 requirement for FPI or C Scan, the employee shall receive a \$0.21 an hour increase. Upon successfully passing the Level 2 requirement for the second area (FPI or C Scan) the employee will receive an additional \$0.20 an hour increase.

July 27, 1999

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Evansville Operation / MSE

Dear Mr. Woodcock:

Per our discussions during 2000 collective bargaining, the Company is committed to exploring the introduction of MSE within the Evansville facility. This process has been delayed due to a number of recent issues within the facility. Bill Schnell, Director of Combustion Systems, is in the process of interviewing and filling several key staff positions within Evansville. Bill has indicated he prefers to discuss MSE after successfully filling these leadership positions. This process is not anticipated to be lengthy.

Sincerely,

John Dearth
Manager, Employee Relations

**ALLISON ENGINE COMPANY
INDIANAPOLIS, INDIANA**

ADVANCED TURBINE TECHNOLOGY

MEMORANDUM OF UNDERSTANDING

The parties will jointly select employees on a one (1) to ten (10) ratio basis to be placed on the Research and Development Team to work on the ATTAP (Advanced Turbine Technology Applications Project) and/or Hybrid Engine Project for selected customers.

This work which has historically been performed by salaried employees at the Tech Center in Warren, Michigan will be handled in the same manner with the following exceptions:

- The hourly employees will perform various types of non-traditional work.
- Hourly and Salary employees can and will perform the same functions.
- The hourly employees will comprise one equalization of hours group.
- The Research and Development Team will located in the EDS Building.
- EDS will continue to be responsible for the maintenance of facilities and equipment in the EDS building.
- One dyne located in the Plant 8 Test Cell area will become the responsibility of Automotive Gas Turbine Operations and will be operated as if it were a part of the EDS facility. When repair if this dyne is require the appropriate tradesman will be assigned.
- Transportation of parts, hardware, etc. between Plant 8 and the Automotive Gas Turbine Operations building will be performed by hourly employees.
- Confidentiality requirements will only allow access on a need to know basis.
- Hourly employees will be included in Zone 1 for representation purposes.
- It is recognized that various unforeseen issues may arise during the operation of the facility. The parties pledge themselves to resolving those issues in a continuing spirit of cooperation so as to ensure the future job security of Allison Engine employees and the competitiveness of our company. It is agreed that such issues will only be addressed by the Shop Committee and Labor Relations Staff.

LOCAL NO. 933, UAW

**Robert D. Woodcock
Richard Amonett
Sergio Gonzalez
Charles Spears
John H. Sandlin
James Laudick
Steve Delano
John Furr**

ALLISON ENGINE COMPANY

**P.B. Alexander
Robert J. Oatts
Cornell Brooks
R.T. Graham, Jr.
Robert M. Plummer
Wilson Burns
D.M. Hall
D.M. Duncan
V.M. Wisdom**

ROLLS - ROYCE ALLISON
Indianapolis, Indiana

AMPS OPERATIONS

Supplement to Memorandum of Understanding Dated March 3, 1997
Effective February 26, 2000

Since the original MOU was signed, GM has elected not to proceed with applying gas turbine engines to automobiles. Rolls-Royce Allison (RRA) and the UAW, working under the original innovative agreement, have successfully worked together and applied this technology to create a new product. This new product is an APU (Auxiliary Power Unit) and will be moved into the marketplace under the AMPS organization. AMPS must move to a different off-site location in order for EDS to move into the current TSC building. Therefore, it is desired to modify the current MOU in order to include the new site at 1919 Girl's School Road and any future site(s) used for the production of the APU.

Currently, bargaining unit employees are assigned to the AMPS program who are working under the flexible work rules of the original MOU, dated 29 September 1993. Bargaining unit employees will remain with the program until such time as development work and the training of other employees who will join the AMPS Program in a production capacity has been completed.

This work, which has historically been performed by salaried employees at the Tech Center in Warren, Michigan, will be handled in the same manner with the following exceptions:

- A. The hourly employees will perform various types of non-traditional work.
- B. Hourly and salaried employees can and will perform the same functions when performing development or training activities. Production work will be performed by UAW employees.
- C. The parties agree to explore the implementation of the MSF concept to the operation of the AMPS program, to fully utilize cross-training opportunities and flexible operations.
- D. The classification of AMPS Operator is established.
- E. The parties agree that an addendum will be added to Appendix A of the Local Seniority Agreement (Attachment #1).
- F. The parties agree that a supplement will be added to the Local Wage Agreement (Attachment #2).
- G. The newly established classification of AMPS Operator will be included in Paragraph IV.A.5 of the Local Seniority Agreement.
- H. Equalization of hours groups will be established for production workers and research and development workers.
- I. The maintenance of facilities and equipment associated with the building will be handled in accordance with the provisions of the building lease. RRA skilled trades will be utilized for maintenance and repair of equipment associated with production work.
- J. Two test stands (888 and 892) located in Plant 8 Test Cell area will become the responsibility of AMPS and will be operated by persons working on AMPS

- K. development programs as if it were a part of the AMPS facility. Acceptance testing of AMPS production units will be conducted in a test stand located at the AMPS facility by properly classified persons. When repair of the Rolls-Royce Allison owned test equipment is required, the appropriate tradesmen will be assigned.
- L. All transportation of production parts, hardware, etc., will be handled by employees within the appropriate classification(s).
- M. Confidentiality requirements will only allow access on a need-to-know basis.
- N. Hourly employees will be assigned to the appropriate Zone for representation purposes, as decided by the Union.
- O. In accordance with Paragraph 183 and Document 2 of the National Agreement, the parties agree to review, for competitiveness, all parts and components anticipated to be manufactured somewhere other than RRA facilities. For any work that proves to be competitive, the parties will work together to bring those parts into RRA facilities. Source changes may be from inside to outside or outside to inside regardless of past history or part type.
- P. Properly classified UAW personnel will assemble and test the production units as well as continue their support of AMPS units returned from the field.
- Q. It is recognized that various unforeseen issues may arise during the operation of the facility. The parties pledge themselves to resolving those issues in a continuing spirit of cooperation so as to ensure the future job security of Rolls-Royce Allison employees and the competitiveness of our Company. It is agreed that such issues will only be addressed by the Shop Committee and Labor Relations Staff.

LOCAL NO. 933, UAW

Robert D. Woodcock

Stephen W. Delano

John Farr

Dean Farley

Mike Maraldo

Richard Atmonett

International Union

Stephen P. Yokich

Ron Gettelfinger

Frank Muscic

Mary K. Riordan

Tom Ladd

Rolls-Royce Allison

Lee Rhyant

Reeder Singler

John Dearth

Cornell Brooks

Mick Nuckles

Jeff Deaton

Steve Fitzpatrick

Attachment #1

APPENDIX A

1. Non Interchangeable Occupational Group (Production)

AMPS Operator

Attachment #2

Local Wage Agreement, Supplement

	Rate	Non Interchangeable Occupational Group
AMPS Operator	\$20.09	Production

**ROLLS - ROYCE ALLISON
INDIANAPOLIS, INDIANA**

ALLISON ENGINE REPAIR OPERATION (AERO)

MEMORANDUM OF UNDERSTANDING

During the 1997 Negotiations, Management and the Union held extensive discussions related to transitioning the Allison Engine Repair Operation (AERO) employees engaged in Gas Turbine Engine overhaul and repair work to UAW represented status. The parties recognize that AERO is a separate facility which requires a team environment to ensure that the overall competitive position of AERO is maintained.

In recognition of AERO's separateness and competitive posture within its market, the parties agree to establish a separate working agreement for the employees engaged in Gas Turbine Engine overhaul and repair work that addresses the following issues and concerns:

1. A competitive rate structure for the employees engaged in the repair and overhaul work that is greater than the current direct labor rate paid to the employees engaged in repair and overhaul work and less than the current average of the prevailing billable rate. Employees transitioning to UAW represented status would be treated as newly hired hourly employee for purposes of establishing seniority and benefit eligibility and would be subject to the grow in provisions of Paragraph (98) of the 1997 Allison/UAW National Agreement. Employees transitioning to UAW represented status will do so at a rate and step represented on the rate progression schedule of the classification to which they are assigned which is equal or higher to the rate they are presently drawing. Employees so assigned will remain at their initial percentile position until they have worked a period of time equal to the period of time it would have taken to achieve that percentile position as a regular new hire covered by Paragraph (98) of the National Agreement.
2. A classification structure similar in scope of responsibility and flexibility to the structure currently utilized within the facility today.
3. A set of work rules and guidelines that recognize the separateness of the AERO facility and that maintain stability and flexibility among the employees engaged in repair and overhaul work.
4. A permanent two cent diversion of COLA will be utilized to fund the benefit plan covering the represented employees of the AERO facility.
5. The parties recognize that AERO has a close working relationship with Local learning institutions and utilizes a cooperative education program as a training ground for students engaged in programs related to aircraft engine repair and maintenance. This is a viable program that will continue after this transition.

LOCAL 933, UAW

Don Newton

Jim Laudick

Richard Amonett

John H. Sandlin

Charles Spears

John Farr

Sergio Gonzalez

International Union. UAW

ALLISON ENGINE COMPANY

P. B. Alexander

Wilson Burns

Robert M. Plummer

R. T. Graham, Jr.

July 27, 1999

To: All Rolls-Royce Allison Employees

As we enter into a new millenium, it is our fervent desire to make Rolls-Royce Allison the premier supplier of high quality, low cost aircraft engines. Toward that end, we pledge our mutual support in the overall operation of all Rolls-Royce Allison facilities. We will strive together to continuously improve safety and quality, eliminate waste, and raise productivity. We sincerely believe this partnership approach will help ensure our mutual long-term goals of increased economic gain and employment security.

While our vision of becoming the premier supplier is incumbent upon many things, there are three (3) building blocks we already possess which our customers view as adding value: The Quality Network, MSE and a soon-to-be-completed world-class Training Center. All of these initiatives were developed during the last collective bargaining agreement, and while we have made progress, there is still a great deal of work to be done to achieve full implementation and success.

We are committed to making this business successful, but we cannot do it without you. We need all of you, hourly and salaried. With your involvement and support, there is no challenge our competitors can put in front of us we cannot overcome.

Bob Woodcock, Chairman
Local 933, UAW

Reeder Singler, Director
Human Resources

July 13, 1999

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Miscellaneous Negotiations Issues

Dear Mr. Woodcock:

Per our previous discussions during this round of collective bargaining, the Company has agreed to address the following issues:

- The Company will establish a payroll-deduction process for purchases made by employees at the Company store. This process will include minimum and maximum purchase amounts, as well as a deduction schedule. The process will be presented at a Step II meeting prior to implementation of the agreement.
- The Company will establish a process to provide tighter control of the disabled parking spaces. This process will be developed and presented at a Step II meeting prior to implementation of the agreement.
- The new labor agreement will be produced by a Union-affiliated printer selected by the Company.
- In addition to jumper cables, the Company will make portable air pumps available at the Security Office (Plant 5).

Sincerely,

John Dearth, Manager
Employee Relations

CLARIFICATION OF PARAGRAPH (80) OF THE NATIONAL AGREEMENT

February 25, 2000

Mr. Robert Woodcock
Maywood Chairman
Local 933 UAW
2320 South Tibbs Avenue
Indianapolis, IN 46241

Dear Mr. Woodcock,

During the current negotiations, the parties discussed instances of employees scheduled to report to work on overtime and being stopped at the guard shack or in the plant prior to clocking in and having their overtime canceled. It is understood in these instances employees shall receive a minimum of four hours' pay at the proper rate, except in cases of labor disputes, or other conditions beyond the control of management.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

July 20, 1999

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Payroll Deduction - Company Stores

Dear Mr. Woodcock:

Per our discussions during collective bargaining, the Company will establish a payroll deduction process for employee purchases made at the Company Store. As was agreed, there will be a minimum purchase level of \$50 and a maximum purchase level of \$250 established for payroll deduction eligibility. It is understood the purchase amount will be deducted in equal amounts from four (4) consecutive paychecks, unless the employee requests to have the purchase amount deducted from one (1) paycheck. I anticipate having a plan fully developed and distributed within several weeks of contract ratification.

Sincerely,

John Dearth
Manager, Employee Relations

July 20, 1999

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Disabled Parking

Dear Mr. Woodcock:

Per our discussions during collective bargaining, the Company will initiate a new process dealing with our disabled parking. At the present time, our plan is to issue appropriate parking decals to our employees who have a need for disabled parking. In order to obtain a decal authorizing Rolls-Royce disabled parking, an employee will be required to present State issued documentation certifying the employee's need. We will work with the State to determine what that documentation should be. It is my expectation to have the process fully developed and published within thirty days of contract ratification.

Sincerely,

John Dearth
Manager, Employee Relations

July 20, 1999

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Document #1 - Health & Safety

Dear Mr. Woodcock:

As we work together to move the business forward, we will strive to mutually improve communication and problem solving abilities within our facilities. As we have agreed, we will attain better results if we quickly address issues as close to their source as possible. This strategy holds true for Health & Safety. Therefore, while we have left Document #1 intact, it is understood that Health & Safety issues that cannot be resolved expeditiously should be promptly brought to the attention of the Director responsible for the area involved. This should be done by any member of the Joint Health & Safety Committee.

Sincerely,

John Dearth
Manager, Employee Relations

July 20, 1999

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Document # 6 - Joint Funds

Dear Mr. Woodcock:

This letter will serve as confirmation of our agreement to amend Document # 6 to reflect the following:

- The parties agree the Key 4 will have final authority to approve any expenditure of funds.
- Submission of a completed Local Joint Training Fund Authorization Form will no longer be submitted to the International UAW Funding Representative for approval.
- Necessary audit procedures will be handled through the offices of Region 3, UAW.

Sincerely,

John Dearth
Manager, Employee Relations

July 21, 1999

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Outsourcing and Sub-Contracting

Dear Mr. Woodcock:

During the current negotiations the parties have discussed a number of issues with regard to Outsourcing and Sub-Contracting without proper notification to the Union. While there appear to be adequate procedures in place to allow us to make prudent business decisions regarding these subjects, the Company believes our process could be further enhanced with more frequent communications. Therefore, the Company will immediately establish quarterly review meetings in support of our Outsourcing and Sub-Contracting procedures. The Vice-Presidents of Operations, Engineering and Purchasing, the Union Shop Committee and members of the Labor Relations Staff will participate in the reviews.

In addition, a new form has been developed for use when sourcing is contemplated. The Company assures the Local Union that this form will be completed and given to the Union prior to any outsourcing. This is applicable in all cases.

Sincerely,

John Dearth
Manager, Employee Relations

July 27, 1999

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Document No.2 / Grievance Settlements

Dear Mr. Woodcock:

Per our discussions during the 2000 collective bargaining, the following grievances have been settled:

620697	620700	620598	620583	620698	620584
620581	620589	620694	620587	620585	620582
620699	624618	133917	133932	133938	623890
616222	620676	620677	620678	620679	620280
620680-A	620681	620682	620683	620684	620685
620686	620687	620688	620689		

In addition, it is understood the Company will hire ten (10) additional employees during the term of this Agreement.

Sincerely,

John Dearth
Manager, Employee Relations

February 25, 2000

Mr. Robert Woodcock
Maywood Chairman
Local 933 UAW
2320 South Tibbs Avenue
Indianapolis, IN 46241

Dear Mr. Woodcock,

During the current negotiations, it was agreed that the parties shall jointly determine the training requirements for supervisors responsible for Powerhouse operations. The requirements shall be developed within six (6) months of ratification and then training will be scheduled. It is Management's intent to have the employees and supervisors working together prior to the initiation of projects.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Robert Woodcock
Maywood Chairman
Local 933 UAW
2320 South Tibbs Avenue
Indianapolis, IN 46241

Dear Mr. Woodcock,

During the current negotiations, the parties agreed that the chairperson of the Bargaining Unit (or designee) and the Vice President of Quality Assurance will meet as required to discuss quality issues, initiatives, bargaining unit quality concerns and upcoming audits.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

February 25, 2000

Mr. Robert Woodcock
Maywood Chairman
Local 933 UAW
2320 South Tibbs Avenue
Indianapolis, IN 46241

Dear Mr. Woodcock,

During current negotiations it was agreed that before an experimental engine is moved to plant 5 for assembly or test, the parties will determine the time frame employees assembling or testing the engine at plant 5 shall be paid at Experimental Aircraft Engine Test Mechanic wages. In addition, the parties will agree to offer at least the same number of hours overtime at plant 8 in the classification Experimental Aircraft Engine Test Mechanic that employees at plant 5 are paid at. This shall be on a week to week basis, but with no more than one week lag time.

When a production engine is assembled or tested at plant 8, the affected employees at plant 5 will be offered at least the same amount of overtime hours at the plant 8 Experimental Aircraft Engine Test Mechanics are paid. This shall be on a week to week basis, but with no more than one week lag time.

When an engine is tested by plant 8 personnel on plant 8's test standards at plant 5, rework performed by plant 5 personnel shall be paid at the Experimental Aircraft Engine Test Mechanic rate. The plant 8 Experimental Aircraft Engine Test Mechanics shall be offered at least the same number of hours overtime paid to plant 5 Assemblers, Engine and Propeller or Test and Service Mechanics, A-E-T-S. This shall be on a week to week basis, but with no more than one week lag time.

Any unforeseen circumstances which may arise will be discussed between Labor Relations and the Shop Committee.

Very Truly Yours,

Reeder C. Singler
Director, Human Resources

July 21, 1999

Mr. Ron Gettelfinger
Vice President and Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

During the 2000 negotiations, the parties discussed the possibility of the Company adopting a Rolls-Royce Stock Purchase Plan for Rolls-Royce employees located in North America. The parties agreed that employees represented by the Union will be eligible to participate in the Rolls-Royce Stock Purchase Plan under the terms and conditions established by Rolls-Royce for its employees in North America. The parties further agree that Rolls-Royce North America will retain the right to modify and/or terminate the Rolls-Royce Stock Purchase Plan at its discretion upon proper notification to the plan participants including employees represented by the Union.

Very truly yours,

Reeder C. Singler
Director, Human Resources

July 21, 1999

Mr. Ron Gettelfinger
Vice President & Director
Aerospace Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

After a thorough review of the specific situation here at Rolls-Royce Allison, the parties have agreed to identify a local source to administer our Legal Services Plan. This will require a transition period, during which time the services specified within the current Legal Services Plan will continue in full force and effect. Prior to implementation of the new administrator, the Plan will be reviewed and agreed to by the Local Union.

It is understood that any changes to the existing Legal Services Plan negotiated between the UAW and General Motors during the 1999 collective bargaining will be incorporated into our Plan.

Very truly yours,

Reeder C. Singler
Director, Human Resources

The following is a list of forms most currently in use at Rolls-Royce Allison. It is understood that deletions, revisions and additions may be appropriate during the life of this agreement. These forms may be obtained from your supervisor or clerk.

Form Number	Form Name
F-8868	Application Cancellation Form
GT-11336	Application for Flow Rights
GT-11337	Application for Recall Rights
GT-8389	Application for Transfer - Production
GT-10078	Apprentice Request Form Training and Tools
GT-10079	Authorization for Back Pay
DDP	Automatic Deposit Authorization
GT-10077	Bereavement Pay
F-6234	Change of Address
DDP	Deposit Authorization Cancellation
F-9522	Emergency Information Card
F597	Employee Inter-Department/First Aid Pass
F-1591	Employee Irregular Hour Pass
W-4	Federal Withholding Allowance
753	Formal Leave of Absence
GT-11537	Permanent Shift Preference Designator
GT-11058	Plant Preference Production
GT-6686-1	Re-Entry Application
F-807	Request for Time Off (Informal Leave)
GT-11416	Shift Preference Request
8793	Skilled Trades Application (Journey person)
GT-3682	Skilled Trades EIT Application
GT-9546	Skilled Trades Plant Transfer Application
WH-4	State Withholding Allowance
GT-11459-1	Time Off Request
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GT-10083	Verification of Military Training Duty

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Demand No. 1

The Union demands that vacation time be useable in four (4) hour increments upon demand, with pay at time of use.

Settlement:

This demand is resolved on the basis that vacation time off may be used in varying increments. It is understood that the efficient operation of the business must be the determining factor when vacation time off is granted.

Demand No. 2

The Union demands that employees be able to play their own personal radios, provided that they are kept to a reasonable volume.

Settlement:

This demand shall be resolved on the following basis:

The parties recognize that the use of battery powered headset radios in the plants can result in potential safety risks and distractions to the efficient operation of the plants. However, Management is not adverse to the use of battery powered headset radios in limited areas of the plant where safety and efficiency is not affected. The parties further acknowledge that certain locations such as aiseways, machining areas, etc., and certain assignments such as the operation of any plant vehicles or bicycles, etc., are not compatible with the use of battery powered headset radios. The Joint Health and Safety committee will review areas where battery powered headset radios use may be permissible to assure all safety regulations are adhered with. These might include certain assembly, inspection and non-machining areas. Both parties agree that non-battery powered headset radio (open radio) use is not permitted in any plant areas.

Demand No. 3

The Union demands that CPR training be provided for all employees that desire such training to be done during working hours and provided on-site.

Settlement:

Management shall survey employees once each year for volunteers interested in taking CPR training. Management shall arrange for the training on-site and pay for the training on the employee's own time.

Demand No. 4

The Union demands that all employees be furnished chairs upon request, and they be properly fitted for the job.

Settlement:

On those operations where chairs are provided, they will be continued unless the Local Health & Safety Committee determines that they impair the efficiency of operations or would be a safety factor.

Demand No. 5

The Union demands that hourly time in the computer show up like salary access instead of hourly time showing up 1 day or 2 days later.

Settlement:

This demand is resolved on the basis that when the new T&A system is implemented, there will be a screen or screens available for hourly employees to check their time for the current week and the previous week and their vacation balances. The information will be current.

Demand No. 6

The Union demands a weekend day approximately every 2 years for an open house.

Settlement:

Management agrees to have an open house in 1997 and the parties will mutually agree to periodically schedule open houses thereafter.

Demand No. 7

The Union demands that 100% of the cost of rental uniforms be paid by the Company with AEC/RR and UAW 933 properly displayed.

Settlement:

This demand is resolved on the basis that the Company will share in the cost of employee uniform rentals, with the Company paying 40% of the uniform rental costs and the employee paying 60% of the uniform rental costs. All other aspects of the uniform rental program will remain unchanged.

Demand No. 8

The Union demands children and spouses of UAW represented employees, at least 18 years of age, will be allowed to use Skill Center services.

Settlement:

The Skill Center may be used by employees' spouses and children who are 16 through 25 years of age as openings are available in classes normally provided to employees.

Demand No. 9

The Union demands that a Job Preference Agreement like Local Demand Settlement No. 10, be in effect for the classifications of Instrument Repair, Mechanical, Instrument Repair, Electrical and Inspector, Tool Die, Fixture and Gage.

Settlement:

This demand is resolved on the basis that Journeymen or Employees-In-Training-Seniority in Departments 0531 and 0517 may make application in writing to their supervisor for an opening within their department, shift, and classification. Such applications will be considered for areas of primary job assignment in accordance with the provisions of Local Demand Settlement No. 10.

Demand No. 10

The Union demands that any skilled trades employee having seniority who is desirous of changing areas or zones of job assignment, may make application to his foreman in writing stating the area he prefers, having made application the employee will be placed on an opening in his classification in the preferred area, or failing that he will bump the youngest seniority employee in his classification in that area. Employees who are granted transfers to a preferred area, may not make application for further such job transfers within a period of six (6) months. Employees who are granted transfers under this agreement shall be assigned to the new area, not later than the 2nd Monday following the date of submission of written request.

Settlement:

This demand is resolved on the basis that Journeymen or Employees-In-Training Seniority in Depts. 0528 and 0535 may make application in writing to their supervisor for an opening within their department, shift and classification. Applications to be considered for areas of primary job assignment will be subject to the following conditions:

1. The employee must be capable of performing the job opening which occurs.
2. Employees may file only (1) application in a six (6) month period from date of application or from date of transfer (or offer), whichever is later under this understanding.
3. The application must be made on the form provided and must designate his primary job preference. The employee will only be considered for transfer to a primary job opening within his department, shift and classification. This will not preclude a supervisor's consideration of an employee's desires in filling subsequent openings.

4. Only applications that are on file in the superintendent's office two weeks prior to the date the opening is filled will be considered.
5. It is understood that the assignment of newly graduated apprentices will not be considered vacancies for the purpose of this procedure.
6. If there is more than one applicant for a classification, and an opening occurs, the applicant with the greater seniority will be given preference for the transfer.

Demand No. 11

The Union demands that all employees be assigned to work that properly falls within their classification at all times.

Settlement:

During the Negotiations, the Union maintained there were numerous examples whereby large numbers of employees were regularly assigned work apart from their classification for periods of extreme duration. The Union claimed this condition created inequities for other employees in the matter of equalizing available overtime and shift preference and the like. Management assured the Union that it is not its intent to improperly classify employees. When improperly classified employees cause properly classified employees to be denied their contractual rights, such employees will be reassigned or transferred under the provisions of the appropriate Agreement.

Demand No. 12

All skilled trades classifications to have clear cut Lines of Demarcation, negotiated by the parties, and they be subject to negotiations at any time a problem arises.

Settlement:

Lines of Demarcation Applicable to Skilled Trades.

Recognizing that it is impractical to operate the plant, and maintain a stable work force by strictly confining employees to job assignments within their classification, and that it is the intent to work employees within the job requirements of their classification wherever and whenever possible, and that consistency in the assignment of employees in all plants must be the final objective, it will be the policy of Management to take necessary steps to correct inconsistencies that currently exist or that arise in the future to bring a satisfactory working arrangement to both Management and the Union. In those instances where the work to be performed is not an inherent part of any of the job classifications that exist in the current Local Wage Agreement, such work will be designated to an existing classification and future assignments will be made in a consistent manner. Questions that arise relating to the job requirements of a classification, will be called to the attention of Labor Relations and after investigation, a decision will be made to resolve the question.

Demand No. 13

The Union demands that when an employees check is lost, upon signing an affidavit, the employee will be issued a special draft immediately.

Settlement:

This demand is resolved on the following basis. Employees who know that their hourly payroll check has been lost, damaged or destroyed (either through theft, loss of wallet, etc.) will, upon signing an affidavit of lost check, be issued a replacement draft within one (1) working day from the date of submitting the affidavit. In cases where an employee believes that his/her check has been lost due to the mailing of said check, he or she will be issued a replacement draft within three (3) working days from the date of submitting the affidavit.

Demand No. 14

The Union demands that when receiving Profit Sharing checks, Vacation checks, Performance Bonus checks, etc., we receive two (2) separate checks.

Settlement:

This demand is resolved on the basis that the Company will provide separate checks and pay advices for Vacation Balance Payout, Profit Sharing and Performance Bonus.

Demand No. 15

The Union demands when an employee receives grievance pay he will also receive an attached card giving the grievance number, date settled and amount of settlement.

Settlement:

Under current operating conditions, back pay resulting from grievance settlements will identify the grievance number involved.

Demand No. 16

The Union demands all employees working the day shift be paid before 9:00 a.m.

Settlement:

Day shift employees will normally be paid prior to lunch.

Demand No. 17

Pay checks in all plants on all shifts to be passed out before lunch time.

Settlement:

Resolved on the basis of Night Shift employees in plants, except in emergencies, will be paid prior to lunch period.

Demand No. 18

The Union demands that Seven Day Operation employees whose day off is on pay day, that they be paid on the day prior. Also, employees on holidays be paid on their regular pay days.

Settlement:

Continuous seven day operation employees who are not scheduled to work on pay day will be paid on the day prior to that scheduled day off insofar as practical.

Demand No. 19

The Union demands when a pay shortage results from a Management oversight, a special check correcting the shortage be issued the employee that day.

Settlement:

In those limited instances where there is a shortage of more than four hours in the pay of an employee, and this shortage is due to an oversight on the part of Management, Management will make every effort to provide for a special payment on that day if possible, but no later than the next work day. Weekends excepted.

Demand No. 20

The Union demands that any pay adjustments made be accompanied with a receipt in detail describing the reason for adjustment. The Union demands that when an employee receives grievance pay, he will receive an attached card showing the grievance number, date settled and the amount of settlement.

Settlement:

A copy of the documents which the Accounting Department uses for their pay adjustments will be made available to the Shop Committee and/or District Committeemen.

Demand No. 21

The Union demands that on grievance settlements where back pay is involved, it is paid within 7 days following the pay period in which the claim was settled. Any violation of this procedure will result in an automatic double pay penalty.

Settlement:

Management will make the necessary arrangements to pay back pay claims resulting from grievance settlements within 14 days following the pay period in which the claim is granted.

Demand No. 22

The Union demands that paid absence allowance time be granted off at all times, upon request of the employee.

Settlement:

Any excused absence will entitle the employee to Paid Absence Allowance payment provided he is otherwise qualified. All Supervision will be instructed to give all possible consideration to an employee's request for time off.

Demand No. 23

The Union demands that pay checks be available for pick up on Thursday, when an employee uses Vacation or P.A. for Friday.

Settlement:

This demand is resolved on the basis that dayshift employees who are on an extended approved vacation beginning on Friday and lasting at least through the following week may pick up their payroll checks after 2:30 p.m. Thursday providing they submit an AVO signed by their supervisor authorizing their vacation time off.

Demand No. 24

The Union demands Christmas Holiday Pay for continuous operation employees be estimated at 48.0 hours, instead of 40.0 hours.

Settlement:

This demand is resolved without prejudice to either party on the basis that so long as Company payroll procedures permit the Management of the areas which have employees assigned to continuous 7-day operations will write a letter to the Payroll Department in advance of the holiday period indicating the hours (currently 48.0) for which their employees should have their payroll drafts estimated.

Demand No. 25

Deleted

Demand No. 26

The Union demands that when a holiday falls on Friday, employees be paid on Wednesday, and when a holiday falls on Thursday, employees be paid on Tuesday.

Settlement:

This demand is resolved without prejudice on the basis of Management's statement that it would distribute afternoon shift employee payroll drafts to employees before the end of their shift on the same calendar day as midnight shift employee payroll drafts are delivered on paydays prior to extended holiday weekends, such as Thanksgiving, Christmas or Easter, unless some unforeseen circumstance makes such a distribution not feasible. Employees who are absent on the day such drafts are distributed may pick them up at the payroll window at Plant 5 on payday (the last scheduled work day prior to the holiday) between the hours of 8:30 a.m. and 11:00 a.m. and 1:00 p.m. and 3:40 p.m. If distribution is not possible to the afternoon and midnight shift as stated above, Management will make every reasonable effort to have such drafts available for employee pick up on payday during the same hours as stipulated for absent employees.

Demand No. 27

The Union demands that when a grievance is settled for monies, and the employee has been off a period of time whereby Union dues were not paid, the Union dues will be deducted from his settlement and paid to the Local Union.

Settlement:

This demand is resolved on the understanding that Union dues will be deducted from a grievance settlement award when such deduction is clearly specified in the settlement language.

Demand No. 28

The Union demands that before a prior week adjustment is made, Management give the employee a full explanation of the adjustment and the pay period in which the error was made.

Settlement:

This demand is resolved on the basis that when employees have questions concerning payroll drafts, they may contact the Payroll Department on extension 5006 for clarification.

Demand No. 29

The Union demands that the practice of coding people unexcused who do not use PAA or vacation to cover absences, be stopped at once.

Settlement:

This demand is resolved on the basis that employees should schedule appointments of a personal nature during their non-working hours whenever possible. It is recognized, however, that circumstances may arise when it is not practical to schedule such appointments during non-working hours. Employees should use contractual absences for such appointments. It is agreed that failure to use a contractual absence for such an appointment will not be automatically considered as an unexcused absence. Each such absence must be considered on its individual merit, based upon the attendant circumstances, and the employee's prior attendance record.

Demand No. 30

The Union demands that employees not be penalized for odd number of rings on their T & A sheets.

Settlement:

This demand is resolved on the basis that it is the supervisor's responsibility to investigate and correct any odd rings which appear on the T & A system before final submission to Timekeeping. Additionally, it is the employee's responsibility to inform his or her supervision of any irregular hours that may generate an odd ring, so that appropriate corrections can be made.

Demand No. 31

The Union demands that Timekeeping quit changing codes on T & A sheets after Foreman codes them. Timekeeping does not have the authority.

Settlement:

This demand is resolved on the basis that Timekeeping will adjust hours up to the nearest tenth only as reflected on an employee's irregular hour pass.

Demand No. 32

The Union demands that no employees be coded on the T&A sheet for Vacation or P.A., until requested by the employee, and the time off be granted for Vacation on request.

Settlement:

This demand is resolved on the basis that it is the employee's responsibility to notify Management of his or her reason for absence and no employee will be coded for vacation or paid absence allowance unless requested by the employee. To insure proper coding for employee absence from work, an "Application For Time Off and Code" form will be available to the hourly employee through his or her immediate supervisor and must be filled out for any absence from work by the employee. This program will remain in effect for a trial period of six (6) months following the ratification of the Local Agreement. At the conclusion of this trial period it will be

jointly determined if the application form has been a beneficial document to insure the proper coding for an employee's absence from work.

Demand No. 33

The Union demands that when a holiday falls on pay day, Thursday or Friday, all employees will be paid on Wednesday.

Settlement:

When Holidays occur on Thursday and Friday, consecutively, all employees will be paid on Wednesday.

Demand No. 34

The Union demands a direct deposit system be implemented at Allison.

Settlement:

Direct deposit of employee net pay will be made available to hourly employees for a six (6) month trial period. The following describes the program.

1. The employee's "bank" (banks, savings and loan, credit unions) must be a member of the National Automated Clearing House Organization.
2. An authorization form may be obtained from the Personnel Department. The completed form is to be submitted to the Payroll Department. Direct deposits to the employee's account will begin approximately four weeks after this form is submitted.
3. Once the direct deposit for the employee's account becomes effective, he or she will receive a sealed "check stub" indicating the earnings and deductions for that pay period. This "check stub" will be mailed to the employee's address of record on Wednesday of each week.
4. The direct deposit system will be used for all full work weeks (Monday through Friday). When the work week is less than five full days, the employee will receive his or her payroll draft distributed in the plant in the normal manner.
5. The Payroll Department will determine the Originating Bank (the bank from which the payroll is drawn). Payroll will only confirm for an employee that the deposit has been processed and submitted to the Originating Bank. If an employee has not received his or her check stub by Friday he or she should confirm the deposit transaction with his or her bank. (Payroll is not responsible for the employee's receipt of his or her check stub on a given day and will not respond to inquiries regarding an employee's net pay because of delays in the employee's receipt of mail.)
6. Problems regarding account postings (overdrafts, fees, balance errors, etc.) are to be resolved between the employee and his or her bank.

7. If a deposit cannot be made because the employee's account has been closed or changed, Payroll will not issue a draft for the deposit in question until it has been notified by the Originating Bank that the original item has been returned.
8. The program will be implemented if at least 15% of the hourly workforce participates. The parties will jointly promote the direct deposit program to obtain this level. The program status will be reviewed and permanent implementation will be determined by the parties at the end of the six month trial period.

Demand No. 35

The Union demands late rings for the week (Monday through Sunday) be rounded to the nearest tenth.

Settlement:

This demand is resolved on the basis that with the implementation of the new Time and Attendance System (Phase II), accumulated late rings during normal working hours for the week (Monday-Sunday) will be rounded to the nearest tenth (e.g., an employee who is late a total of three minutes for the week will not have a deduction, whereas an employee who is four or five minutes late will be deducted the full 1/10 of an hour).

Demand No. 36

The Union demands that all hours left of vacation, be shown paid or not paid.

Settlement:

Within 60 days of implementation of the new T&A system, changes will be made to show total vacation hours available and vacation pay hours balance on the employees' check stubs and advices.

Demand No. 37

The Union demands that when Management is contemplating reducing an employee by "seven-page letter", the District and Zone Committeemen be notified immediately to insure every effort has been made to train the employee.

Settlement:

This demand is resolved on the basis that an employee who is subject to a reduction for incapability will be advised in writing of the pending "seven-page letter." The District Committeeman and the Zone Committeeman will be given a copy of the notification.

Demand No. 38

DELETED

Demand No. 39

No employees shall be instructed to keep time or records of his job, and at no time will he, the employee, be instructed to sign his name to such document.

Settlement:

This demand resolved on the basis that it is recognized that certain records must be maintained in the course of business and must necessarily be submitted by the individual operators. Such record will not be the basis for disciplinary action (including discharge) unless the employee involved deliberately falsified the record.

Demand No. 40

The Union demands that no employee be required to report his productive standing until the end of his shift, nor the amount of pieces he has produced.

Settlement:

The reporting of problems encountered on the job to the Supervisor is basic to the employee-employer relationship. The employee will not be harassed by having to report his efficiency to the supervisor on an intermittent basis throughout the shift.

Demand No. 41

No records showing the performance of any employee on his job will be available to any other employee. Carryover book will not refer to any operator on the other shift if the book is available for the Bargaining Unit people to read. Printed forms listing employees mistakes will not be accessible to any other hourly rated employee.

Settlement:

Demand resolved on the basis that carryover books will be utilized for departmental information and assignment purposes only. Reference to individual employees except for specific job assignment purposes, will not be made.

Demand No. 42

No employee shall be instructed to use a stamp if the same stamp is issued in the department. Stamps are bought in lots.

Settlement:

This demand resolved on the basis of the understanding that stamps are used for identification purposes, and where a question arises concerning the duplication of stamps, the matter will be investigated, and appropriate action taken.

Demand No. 43

The Union demands that all inspection layout, programming, and operating of all coordinate measuring machines be performed by the classification of Inspector, Parts.

Settlement:

Management agrees that programming of CMM's belongs to Inspector, Parts classification.

Demand No. 44

The Union demands that Skilled Trades employees will be assigned to work which properly falls within their respective classification.

Settlement:

This demand is resolved on the basis that Management will continue to assign Skilled Trades employees to work which properly falls within their respective classifications.

Demand No. 45

The Union demands that no employees be required to submit a 4648 form or any other written count of parts.

Settlement:

This demand is resolved on the basis that it is recognized that certain records must be maintained in the course of the business and must necessarily be submitted by the individual operators. Employees requested to provide remarks concerning difficulties encountered on the job will not be harassed solely for reporting their solicited legitimate opinion of the cause of the difficulty. Such record will not be the basis for disciplinary action (including discharge) unless the employee involved deliberately falsified the record.

Demand No. 46

The Union demands that at no time will an employee be forced to work while pictures are being taken of them.

Settlement:

Employees will not be required to have their picture taken for the sole purpose of publicity or advertisement without the consent of the employee, which will be required. Pictures taken for the purpose stated above will not be used for discipline.

Demand No. 47

The Union demands that all routings be updated to present job requirements and specifications, including standard time put back in the routings.

Settlement:

As long as present operating conditions prevail, all production routings which have been changed, and which are changed at some future date will show two figures (Gross and Net). One figure will reflect the old rate which appears on the previous routing (Production pieces per hour or rate per hour). The other figure which appears on the routing is to show a rate which may be possible to produce or attain when no delays occur. Production routings and Time Summaries are available for employees use in their department. This information will be with the routings so that the employee can obtain it without contacting his Supervisor.

Demand No. 48

The Union demands that informal leaves not to exceed (30) days for personal reasons, be granted upon request.

Settlement:

In clarifying this demand, the Union contended Supervisors were denied the right by higher supervision to grant thirty day leaves of absence as provided in Paragraph (103) of the National Agreement to employees. Management assured the Union that Supervisors have the right to grant thirty day leaves of absence under the provisions of Paragraph (103) of the National Agreement and would so be advised. Supervisors will be instructed to give every reasonable consideration to granting such requests.

Demand No. 49

The Union demands that Inventory work be performed by Hourly Rated employees.

Settlement:

This demand is resolved on the basis that the moving and counting of material associated with the annual parts inventory will be considered as work falling within the Bargaining Unit.

Demand No. 50

The Union demands that no job assignments will be made by any foreman to any employee on any shift, prior to the regular starting time of the shift, with penalty provisions for supervisory violations.

Settlement:

This demand is resolved on the basis that employees shall not be given work assignments except during their working hours. This agreement will not interfere with Management's right to effectively utilize employees time during working hours.

Demand No. 51

The Union demands that no one other than a properly classified Inspector be allowed to use an inspection stamp.

Settlement:

The stamping of productive parts for inspection purposes is the proper assignment of Bargaining Unit employees. In those instances whereby productive parts previously questioned by a Bargaining Unit employee are determined to be acceptable, it is Management's preference that the Bargaining Unit employee stamp the parts with his assigned stamp. Management reserves the right to affix a stamp in the event of a dispute in this regard.

Demand No. 52

The Union demands that no Jobsetters, Leaders, or any other hourly employees be permitted to give orders, job assignments or relay messages from supervision.

Settlement:

This demand resolved on the basis that employees classified as Jobsetter and employees designated "Leader" have no supervisory authority. They do, however, relay instructions of the supervision to the group.

Demand No. 53

The Union demands no employee be required to submit a written account of parts.

Settlement:

Employees are required to submit a Daily Productivity Record (currently form 4648) containing the following:

1. Operators Name
5. Clock Number

2.	Date	6.	Shift
3.	Dept. Number	7.	Part Number
4.	Operation Number	8.	Quantity Run

Demand No. 54

The Union demands that when a credit department writes for verification of employment information, the company respond by mail in a more timely fashion.

Settlement:

In order to best serve the interests of the employees, it is Management's intent, under current operating conditions to process all properly submitted credit verification requests in two (2) days and all properly submitted mortgage verification requests in seven (7) days. Requests requiring more timely execution will be handled on an individual basis. Providing a timely service to employees will be a basic consideration in the administration of duties as conditions change from time to time.

Demand No. 55

The Union demands that the Foundry work at Plant #8 be performed by Converter Operators, instead of salary employees.

Settlement:

The work in question at the Plant #8 Pilot Foundry that has been fully developed and producing parts for immediate use in engines will be assigned to Bargaining Unit employees.

Demand No. 56

The Union demands that a five foot canopy be constructed over both #6 oil unloading areas. This canopy would extend five feet over both sides over the fence.

Settlement:

Management and Union will work jointly to provide protection in the form of a canopy.

Demand No. 57

The Union demands that the standard hours allowed on a job not be decreased, unless the job is at least 85% changed.

Settlement:

Production standards will be established as provided for in Paragraph (78) of the Agreement. The parties recognize that changes in methods, means or processes may justify a change in existing production standards. Production standards changed as a result of such changes are subject to the provisions of Paragraph (78). Changes in existing production standards will not be made as a result of the annual improvement factor.

Demand No. 58

The Union demands that no employee be assigned to work alone.

Settlement:

This demand is resolved on the following basis that Management will not assign employees to work alone when to do so would create a safety hazard to the employee. (See example below).

In those instances where an employee is assigned to work alone, Management will take necessary precaution to check that employee on a regular and continuing basis. (Examples of such assignment would be working overhead alone, in pit alone or handling dangerous chemicals or acid in open tanks.)

Demand No. 59

The Union demands that all supervisors must honor all vacation or PAA requests, immediately, without question, upon demand.

Settlement:

This demand is resolved on the basis that the term efficiency of the operation as used in Local Demand Settlement # No. 1 will not be cited in instances where the employee requested such absence in advance and the sole basis for disqualification is the necessity of overtime on his or her job.

Demand No. 60

The Union demands that an employee either fills out an I.O.E. form or punch his/her work in the computer, but not both.

Settlement:

This demand is resolved on the basis that an operator will no longer be required to fill out an I.O.E. form and also input the information into the terminal when his or her daily input accuracy reaches a 98% level and is sustained for three continuous months. Thereafter, the operator will only be required to input the information via the Shop Floor Data Collection computer terminal as long as he or she maintains the 98% level of input accuracy.

Demand No. 61

The Union demands that when the immediate Supervisor is absent, or leaves the area for the day: the employees in that area will be informed of who their immediate Supervision is.

Settlement:

In an effort to maintain good communications within a department or area, it is critical that the work group be notified if the regular supervisor is going to be unavailable. The work group should be informed who will be covering the area when the regular supervisor is absent.

Demand No. 62

The Union demands that no routings have the work equivalent or alternate machine on them in the future.

Settlement:

This demand is resolved on the basis that alternate processes will not be used to circumvent employee overtime rights.

Demand No. 63

The Union demands that Patrol Service not be allowed to deny any employee entrance to the plant, due to wearing apparel.

Settlement:

Patrol Service will not refuse admittance to the premises solely because of employees wearing apparel.

Demand No. 64

The Union demands that all Allison Retirees be given a permanent pass which will allow them to enter all Allison Plants for visitation purposes.

Settlement:

The following shall apply equally to all Rolls-Royce Allison Retirees. Retired employees are issued an identification card which allows escorted entrance to the Personnel Department or the Center for Benefit Plans. Requests to enter other areas of the facility will be considered by the Personnel Department on an individual basis. Advance notice of a pending visit is appreciated.

Demand No. 65

The Union demands that battery cables and/or starting equipment be provided for stalled cars and/or trucks in the parking lot.

Settlement:

Under current conditions, Management will provide a set of battery jumper cables at each of the Plant Security Gate houses for use by employees encountering car trouble. The employees will be required to provide proper identification, and sign for the cables. Immediately after use, the cables are to be returned to the gate house. If the cables are not returned, the cost of the cables will be deducted from the employees wages. It is understood and agreed that Management accepts no responsibility for damages resulting from the use of this equipment.

Demand No. 66

The Union demands that hourly employees be allowed to use the lobby as an entrance or exit, whenever it is open.

Settlement:

Employees who ride public transportation to work or qualify under ride sharing will be given a special pass to permit entrance through the Plant #5 lobby. The need for these passes will be periodically reviewed.

Demand No. 67

The Union demands all guard posts be open on Saturdays, Sundays and Holidays.

Settlement:

The present method of determining which plant protection gates are to be opened on the weekends is based upon the Wednesday overtime forecast. If 75 people or more are scheduled to be working in a given area on a particular shift, based upon this forecast, the plant protection gate normally servicing this area will be opened at shift change and lunch periods. Unusual circumstances resulting in substantial unforeseen schedule adjustments may be handled with Labor Relations as in the past. This settlement supersedes all prior grievance settlements on this issue.

Demand No. 68

The Union demands that when the Automatic Plant Security Guard Post are down for repairs, that a Security Guard be posted during all shift changes and lunch hours for all shifts. (Why can't they put a guard on the post?)

Settlement:

This demand is resolved on the basis that during the time that the existing access control system is the sole means of gaining entrance and exit to and from the plant, a Plant Security Officer will be stationed at automated posts which are down for repair during lunch periods and shift changes Monday through Friday excluding Holidays. It is understood that necessary manpower will not always be immediately available.

Demand No. 69

The Union demands that a pay phone booth be placed at all guard posts, for car trouble and emergencies.

Settlement:

This demand is resolved on the basis that outside telephone lines have been installed on all pedestrian gates.

Demand No. 70

The Union demands that phones be placed on the outside of all automatic guard gates.

Settlement:

This demand is resolved on the basis that phones with a local line only will be installed on high traffic gates.

Demand No. 71

The Union demands that the lights in the Allison Engine Company parking lots be inspected at least once a month with proper maintenance.

Settlement:

Security Officers will look for lights out in the parking lots during normal rounds and will report the outage to maintenance for repair.

Demand No. 72

The Union demands that we be allowed to "ring in" the time clock at least 30 minutes before the start of each shift.

Settlement:

This demand is resolved on the basis that hourly employees will be permitted to clock in thirty (30) minutes prior to their shift starting time. Employees who clock in thirty (30) minutes prior to the start of their shift will not be entitled to any shift premium or overtime premium payment.

Demand No. 73

At no time will Management call the employee's home after they have reported their absence.

Settlement:

It is not Management's intention to embarrass or harass its employees. Telephone calls will not be made unless the circumstances demand or require this type of contact.

Demand No. 74

The policy requiring any statements for short absences, must be stopped.

Settlement:

This demand is resolved on the basis that it is Management's intention to apply the requirements of attendance fairly and equitably. The requirement to substantiate his absence or be excused is a basic relationship between an employee and his employer. It is not Management's intention to harass employees or to make inquiries beyond reasonable requirements regarding his attendance.

Demand No. 75

The Union demands that the coding of time cards will not be used for the basis of disciplinary action or denial of holiday pay or S.U.B. pay.

Settlement:

The coding of time cards shall not be used as the basis of assessing discipline or denying Holiday or S.U.B. pay.

Demand No. 76

The Union demands all employees be given a pass to leave the plant any time they request, for medical or personal reasons.

Settlement:

Any employee who insists upon leaving the plant for medical or personal reasons will be clearly advised as to whether his leaving is excused or unexcused.

Demand No. 77

Two hours excused absence to donate blood to the blood bank, will be paid by Management. Not to be deducted from Paid Absence Allowance.

Settlement:

This demand resolved on the basis that a day shift employee may be excused for the last two hours of their shift without loss of pay for the purpose of donating blood to the blood bank. Further, it is understood that no more than one employee from any department will be excused at a time except under agreed special circumstances. Except in special circumstances, Management will be notified at least one day prior to the absence for this purpose. It is understood that this opportunity will not be abused.

Demand No. 78

The Union demands that any employee who is required to leave the plant on personal business be given an excused pass to leave the plant without question.

Settlement:

It is recognized that being excused from work is primarily a matter between the employee and his supervisor. This demand is resolved on the basis that an employee's request for personal time off will be given every possible consideration. An employee who insists upon leaving the plant for personal reasons will be clearly advised as to whether his leaving is excused or unexcused. Instances brought to the appropriate Manager's attention contrary to the above will be promptly corrected.

Demand No. 79

The Union demands that employees not be coded (unexcused) for any absence, until being informed as such.

Settlement:

This demand is resolved on the basis that it is the employee's responsibility to notify Management of his reason for absence. In those instances where an employee has returned to work from a period of absence, and his reason for absence is determined to be satisfactory by Management, the absence code on the Time and Attendance Run will be changed to so reflect the type of absence. If the reason for absence is determined by Management to be unsatisfactory, the employee will be so advised.

Demand No. 80

The Union demands that employees using Self-help Program on 3rd shift be given an excused pass to attend Follow-Up Programs.

Settlement:

This demand is resolved to the satisfaction of both parties on the basis that afternoon shift employees who are attending EAP meetings during afternoon shift working hours will be excused to attend such meetings, with the understanding that they will return to work immediately after the meeting has been concluded. The EAP coordinator will verify the fact that the employee has attended the meeting and also stipulate the starting and ending times of the meetings on the employee's inter-departmental pass.

Demand No. 81

The Union demands that Rolls-Royce Allison provide department 0874 the opportunity to clock in and out at any plant 8 clock location.

Settlement:

Management will assign department 0874 employees to the clock nearest their work area.

Demand No. 82

The Union demands that the E.I.T. and E.I.T.S. be signed up for school on company time the same as the Apprentices.

Settlement:

Under current operating conditions, this matter is currently being applied uniformly.

Demand No. 83

The Union demands that Management train Tinsmith classification in the installation and maintenance of rubber roofing materials in order to keep abreast of new Technology in this area.

Settlement:

This demand is resolved on the basis that a group of Plant 5 Tinsmiths will continue to be trained in the installation and repair of roofing systems.

Demand No. 84

The Union demands that employees be provided more training.

Settlement:

In order to be competitive in the market, Management agrees that it will investigate and institute programs to assure that its work force is properly trained.

Demand No. 85

The Union demands that a training program for Pipefitters, pertaining to all Heat Treat and Plating equipment and any other specialized equipment be established and provided to all Pipefitters on a voluntary basis.

Settlement:

Employees in training for the Pipefitter trade will be trained in such a manner, so that in conjunction with the required related training, such employee will be a qualified Journeyperson upon the completion of his training program.

Demand No. 86

The Union demands a training program be negotiated for employees in training in each skilled trades classification. That they will receive all round experience in the trade in which the employee is working. Should an employee or his committeeman believe that an EIT or EITS has been assigned to one type of work for an excessively long period of time, the matter should be raised with the employees supervisor and corrected.

Settlement:

Employees in training for Skilled Trades will be trained in such a manner, so that in conjunction with the required related training, such employee will be qualified a Journeyperson upon completion of his training program.

Demand No. 87

The Union demands a training program for Welders paid for by the company prior to being placed in any production welder job.

Settlement:

This demand is resolved on the basis that the training program which has been established to address the training needs of production welders is satisfactory.

Demand No. 88

The Union demands that Crib Attendants be trained on the EDS computer system for locating and inventory of stock.

Settlement:

This demand is resolved on the basis that one Crib Attendant on each shift has been trained on the computer in Crib 10. Any additional Crib Attendants who desire training on this computer will be trained. A tool management computer system for trucking tools in Strategic

Manufacturing Units (SMU) is under consideration. There is bargaining unit representation on the study team and if implemented, Crib Attendant employees will be trained to use the computer system.

Demand No. 89

The Union demands that Electron Beam Welding machines have proper instructions and standards posted.

Settlement:

This demand is resolved on the basis that a procedure of sequential operations for shutting down and reapplying power will be posted on each Electron Beam Welding machine.

Demand No. 90

The Union demands that Pipefitters be properly trained on the proper use of the rotor roter equipment.

Settlement:

This demand is resolved on the basis that a training session will be scheduled to instruct Pipefitters in the proper use of Roto-Rooter equipment.

Demand No. 91

The Union demands all electricians be required to take NEC code update at the company expense, that will improve electrical safety and uniformity.

Settlement:

Management will make NEC update training available for employees classified Electrician, Stationary Engineer Powerhouse, Refrigeration and Air Conditioning Maintenance and Instrument Repair, Electrical within six months of the published updates. The Company shall pay for the training.

Demand No. 92

The Union demands that a hands on training center be established.

Settlement:

The parties have agreed to jointly determine the requirements for a training facility and fund it with funds accrued in accordance with the provisions of the 1993 Allison Engine Company UAW Agreement.

Demand No. 93

The Union demands company provide necessary training as required by FAA to maintain A & P Certification.

Settlement:

If FAA certification becomes a condition of holding specific classifications, Management agrees to provide employees in those classifications with training to become certified or recertified.

Demand No. 94

The Union demands Management will notify an employee, in advance, when they have been scheduled for training and will release them for this training when the time comes.

Settlement:

Management intends to notify employees in advance of scheduled training. It is also Management's intent to have employees attend scheduled training. In the event business conditions will not permit an employee to attend the scheduled training Management will notify the employee at least 14 days before canceling and Management will reschedule the employee for the next available training session.

Demand No. 95

The Union demands the company will provide a communication system to provide a direct link between employees and the Training Center.

Settlement:

The Training Center shall publish to all employees available classes each year and provide updates if the classes or schedules change.

Demand No. 96

The Union demands that Management not be allowed to offer overtime at the last minute as a means of harassment.

Settlement:

This demand is resolved on the basis that it is not Management's intent to utilize overtime as a means of harassment. Overtime will be offered when needed to produce a quality product in a timely manner.

Demand No. 97

The Union demands that standard codes be negotiated to be used on overtime records to denote such things as refusal, absent, bereavement, vacation, early overtime and late overtime.

Settlement:

Form DA-45 will be updated to with the following informational key:

- ** Scheduled to work - Absent
- A Absent
- B Bereavement
- D Discipline
- I Illness
- J Jury Duty
- L Loaned
- LOA Leave of Absence
- M Military
- R Refused
- U Union
- V Vacation

The form will also have areas to record early and late overtime.

Demand No. 98

The Union demands that applications to work during periods of Temporary Layoff, be openly displayed in each department.

Settlement:

It is agreed between the parties that an employee who makes application to work during a period of temporary layoff, as provided for in the Temporary Layoff Section of the Local Seniority Agreement, will be given a carbon copy. Further, a notation of such application, including date, will be placed in the "Clock Number" column of the department overtime record, to be carried forward each month.

Demand No. 99

The Union demands that when an employee works two (2) or more hours beyond eight (8) hours, he will then be afforded a nourishment break of twenty (20) minutes to be paid for by Local Management.

Settlement:

Employees assigned to work overtime assignments will be provided relief time in a proportional manner during that overtime assignment.

Demand No. 100

The Union demands that the 10 hour policy letter concerning overtime that was issued be retracted and any other letter issued concerning overtime policies be negotiated.

Settlement:

The scheduling of overtime operations will be controlled by the Local Equalization of Hours Agreement (Paragraph (71) of the National Agreement), and other applicable local agreements, and the Memorandum of Understanding on Overtime dated November 22, 1976.

Demand No. 101

The Union demands when additional help is needed to augment a Skilled Trades classification, Management get that manpower from another shift, same classification, before going to another plant.

Settlement:

The parties agree that overtime in the maintenance skilled trades classification is scheduled under the provisions of Paragraph (71) of the Local Agreement. However, Management will make a sincere effort to schedule Saturday, Sunday and Holiday overtime in the future in such a manner that Equalization Groups in Skilled trades classifications which parallel each other across shifts, will be exhausted before going to another plant. Problems encountered in the administration of this settlement will be reviewed with supervision by Labor Relations and the Shop Committeeman involved. This settlement does not overturn or circumvent any current grievance settlements on this subject.

Demand No. 102

The Union demands that while an employee is working overtime, Management does not have the right to cancel overtime that day, as a means of punishment or harassment.

Settlement:

It is understood that canceling overtime will not be used to harass or as a form of discipline to employees.

Demand No. 103

Overtime to be equalized between shifts on a percentage basis figures on the total number of employee in each equalization group.

Settlement:

The parties agree that hours are not balanced between shifts, however, Management will make a sincere effort to use their right to schedule work in the future in such a manner that hours shall be more equally divided between shifts. This shall be confined to groups (as defined in the Local Agreement) which parallel each other across shifts, (1st, 2nd & 3rd). Where there is only one shift in a group and a new shift is established it shall start at the average of the established shift, where two shifts exist and a third shift is established they shall start with the average of the two existing shifts.

Demand No. 104

The Union demands that the Company shall neither divide any existing department or establish any department except by mutual agreement with the Shop Committee.

Settlement:

The establishment, dissolution or division of departments, must of necessity remain a unilateral decision; on the part of Management in those instances where only departmental number designations or supervisory changes have occurred, the previously established equalization of overtime rights, shift preference rights and seniority rights of Bargaining Unit employees so affected will not be changed unless negotiated by the parties. When new departments are established where the rights of Bargaining Unit employees had not previously been established those rights will be negotiated by the parties.

Demand No. 105

The Union demands that a tool and cutter grinder be worked when anyone is working that may require tools to be sharpened.

Settlement:

This demand is resolved on the basis that Management will make a sincere effort to review production scheduling and will schedule cutter grind overtime based on that need.

Demand No. 106

The Union demands that when overtime hours are deleted from a shift an equal amount will be deleted from the other shift's overtime record in that department.

Settlement:

When overtime hours are deleted from a balance of hours group an equal number of hours will be removed from the groups which parallel each other across shifts.

Demand No. 107

The Union demands that the Plan A overtime memo be defined locally by the parties concerning the proper implementation thereof as well as a proper notification procedure for beginning and ending Plan A schedules.

Settlement:

This demand is resolved on the basis of the following understanding between the parties regarding the utilization of the National Agreement Memorandum of Understanding on Overtime.

When implementing Plan A of the Memorandum of Understanding Management will give the employee overtime group being scheduled to work overtime at least one week's prior notice that they are being placed on mandatory overtime and whether the schedule will be on a six day or seven day basis. Management will notify the employee overtime group by the end of their shift on Wednesday of a change in such schedule and the reason for the change, unless an unforeseen condition beyond the control of Management makes such Wednesday notice not feasible.

Demand No. 108

No employee shall be instructed by Management to take tools from other workers tool boxes or working area where that employee has such tools checked out without the approval of the employee that has the tools checked out.

Settlement:

It is not Management's intention to open personal tool boxes of employees without their knowledge or permission; however, should it be necessary to open an employee's tool box when he is not present, such decision must be made by a member of Management, and a member of Management will supervise the entry. Management will continue to replace tools damaged or stolen as the result of Management decisions, providing the loss or damage is reported as soon as possible, and can be substantiated.

Demand No. 109

The Union demands that clothing damaged on company property, which was the result of faulty equipment or some other Management responsibility, will be replaced at Company's expense.

Settlement:

Management recognizes that the safekeeping of employees personal tools, equipment or clothing is necessary. Therefore, in those instances where an employee knows or finds he will be absent for an extended period and requests it, Management will provide an area where he can store his secured box. He will be furnished a receipt upon request. Employees will be fairly reimbursed when there is damage or destruction of their personal property due to the faulty of the company, and there is no fault on the part of the employee, or if an employee's personal tool is damaged or destroyed at the specific request of a Supervisor to perform an assigned job. It is understood that these items are subject to normal wear and damage, which is not the responsibility of the company, and must be handled on their individual merits. It is understood that these provisions will not apply if: (1) the tool guarantee covers the loss, (2) the loss or damage is not reported as soon as possible.

Demand No. 110

The Union demands no employee shall be instructed by anyone to take tools from another workers tool box or work area.

Settlement:

It is not Management's intention to open personal tool boxes of employees without their knowledge or permission, however, should it be necessary to open an employee's tool box when he is not present, such entry will be made by a member of Management and another employee will witness the opening of the tool box.

Demand No. 111

The Union demands in those cases where employees are required by Management to provide their own tools, Management will replace or repair such tools turned in to the crib.

Settlement:

With respect to employees who are required to provide their own tools, Management will replace or repair approved type tools damaged in the performance of their job. Damaged tools will be turned into the crib and at the discretion of Management will be repaired or replaced with a tool of comparable quality or the employee will be reimbursed for the replacement value of the tool. Tools which are replaced will be on an exchange basis with the damaged tool becoming the property of the Company. This understanding will not apply to any tool damaged as a result of carelessness on the part of the employee.

Demand No. 112

The Union demands that the company will assume full liability for any personal articles such as tools, clothing and etc., damaged, stolen or lost in the Plants.

Settlement:

Management recognizes that the safekeeping of employees personal tools, equipment or clothing is necessary, therefore, in those instances where an employee knows or finds he will be absent for an extended period and requests it, Management will provide an area where he can store his secured box. He will be furnished a receipt upon request. Employees will be fairly reimbursed when there is damage or destruction of their personal property due to the fault of the Company, and there is no fault on the part of the employee. It is understood that these items are subject to normal wear and damage which is not the responsibility of the Company and must be handled on their individual merits. It is understood that these provisions will not apply if: (1) The tool guarantee covers the loss. (2) The loss or damage is not reported as soon as possible.

Demand No. 113

The Union demands no employee be required to furnish their own tools.

Settlement:

The parties recognize that Management bears the responsibility of providing the tools necessary to perform non- skilled work. In the areas where this is not the case, supervision will determine the tools necessary to do the job and provide tools as required to perform work tasks. In those situations where the employee chooses to utilize his personal tools on the job, the provisions of Local Demand Settlement No. 111 will continue to apply.

Demand No. 114

The Union demands that in the cases where employees are required by Management to provide their own tools and tool boxes, Management will replace such tools providing they are damaged, broken or stolen at Allison.

Settlement:

With respect to employees who are required to provide their own tools, Management will replace or repair approved type tools damaged in the performance of their job. Damaged tools will be turned into the crib and, at the discretion of Management, will be repaired or replaced with a tool of comparable quality or the employee will be reimbursed for the replacement value of the tool. Tools which are replaced will be on an exchange basis with the damaged tool becoming the property of the Company. Cases, such as those addressed in this demand, will be handled on an individual basis, based upon the circumstances involved.

Demand No. 115

Where protection clothing is used, they shall be fit to size.

Settlement:

This demand is resolved on the basis of the understanding that where size is a factor, the protective clothing will be ordered by size.

Demand No. 116

The Union demands that the Attendant Oil Stores employees be furnished protective clothing, for outside work during winter months.

Settlement:

It is the intent of Management to provide outdoor coats for use by Attendant Oil Stores when outside work is required during winter months. It is, however, not the intent of Management or the Union to provide clothing on an individual basis.

Demand No. 117

The Union demands that Management not restrict wearing apparel, when their anatomy is covered.

Settlement:

In general, Management has no objection to employees dressing as they choose as long as they are decently attired and their manner of dress does not create disturbances and falls within the bounds of acceptable safety practices and standards. Any article of clothing worn into the plant will be evaluated as to its ability to satisfactorily protect the employee from the inherent safety factors of his or her particular job assignment, and will also be evaluated against the acceptable norms of dress, and if within these norms and safety will be permitted.

Demand No. 118

The Union demands that protective clothing be furnished by the company for all employees that do work outside or require them to be outside. To consist of a hooded water resistant all weather parka and insulated coveralls.

Settlement:

Rain wear will be provided for employees whose job assignments require them to work outside when common sense would dictate that rainwear is needed.

Demand No. 119

The Union demands that the maintenance painters be allowed to rent white painter's uniforms.

Settlement:

Demand granted.

Demand No. 120

Management to provide new gloves & protective clothing for all employees for all jobs upon which they are needed.

Settlement:

Necessary protective clothing and equipment will be provided as required by the individual job assignments. This protective equipment to include coveralls, which will be available in the cribs for use by the employees. It is understood that the following classifications will have such equipment available: Millwrights, Pipefitters, Machine Repair/Equipment Builder, Welder, Maintenance, Welder, Tool & Die, Welder, Tool & Die - Certified, Test & Service Mechanic, Attendant, Salvage, General Maintenance, Salvage and Rework Mechanic, Refrigeration & Air Conditioning Maintenance, Carpenters, Heat Treat Furnace Operators, Painter Spray (Prod.) Auto T&T Repair Mechanics and Plater. In addition, coveralls will be reinstated where presently being used. Gloves will continue to be cleaned and used, however, gloves with holes or tears will not be re-issued. The question of weight of material of protective clothing must be controlled by the degree of protection required. In those instances where lighter weight material will afford satisfactory protection for job in question, it will be investigated and appropriate action taken.

Demand No. 121

The Union demands that all Carpenters be furnished (3) pairs of painters uniforms weekly.

Settlement:

Management will continue to provide necessary protective clothing and equipment as required by the individual job assignment.

Demand No. 122

Management to furnish coveralls for any classification that ruin their clothes in performing their job.

Settlement:

This demand resolved on the basis that necessary protective clothing required, by the individual job will be made available for the following classifications: Millwright, Pipefitters, Machine Repair/Equipment Builder, Welder, Maintenance, Welder, Tool & Die, Welder, Tool & Die - Certified, Department 0547, Test & Service Mechanic, General Maintenance, Salvage &

Rework Mechanic Attendant, Salvage, Refrigeration & Air Conditioning Maintenance and Carpenters.

Demand No. 123

Demand that coveralls and tools be furnished to Test Mechanics and Experimental Assemblers.

Settlement:

This demand resolved on the basis that Special tools and protective clothing (including coveralls) required in the performance of the assignments involving the classification Test & Service Mechanics, and Assembler, Engine & Propeller will be provided by Management. Management will continue to replace tools broken or damaged in the performance of their jobs.

Demand No. 124

The Union demands that coveralls be furnished for all employees upon request, and they be of cloth material.

Settlement:

Necessary protective clothing and equipment will be provided as required by the individual job assignment. This protective equipment to include coveralls, which will be available in the cribs for use by the employees. It is understood that the following classifications will have such equipment available.

Millwrights, Pipefitters, Machine Repair/Equipment Builder, Welder, Maintenance, Welder, Tool & Die, Welder, Tool & Die - Certified, Test and Service Mechanic, Attendant, Salvage, General Maintenance, Salvage & Rework Mechanic, Refrigeration & Air Conditioning Maintenance, Carpenters, Heat Treat Furnace Operators, Painter Spray (Production), , Auto T&T Repair Mechanic and Plater. The question of weight of material of protective clothing must be controlled by the degree of protection required. Problems brought to the attention of Management, will be corrected.

Demand No. 125

The Union demands that all employees that perform outside work be furnished insulated clothing and boots.

Settlement:

Employees whose normal work assignment included outside work are expected to provide their own appropriate work clothes. In the matter of unanticipated changes in the weather or job assignment, protective clothing will be provided.

Demand No. 126

The Union demands that the company provide summer weight coveralls for all employees in need of coveralls.

Settlement:

This demand resolved on the basis that light weight coveralls will be stocked in the General Stores crib in addition to those presently being used.

Demand No. 127

The Union demands that on the North Shipping Dock we need insulated coveralls for winter - loading and unloading trucks - inspection and truck drivers.

Settlement:

Management will provide insulated coveralls for use by North dock employees.

Demand No. 128

The Union demands coveralls at SCO.

Settlement:

Management shall make coveralls available for employees assigned to SCO.

Demand No. 129

The Union demands that three pairs of safety shoes per year be furnished each employee at no cost to the employees.

Settlement:

In accordance with the Memorandum of Understanding on Health & Safety between the Company and the International Union, UAW Allison Engine Company, Management will provide safety shoes at no cost to those employees whose regular assignment, as determined by Management requires such foot protection. Under existing conditions in the plant, Management requires employees classified Bearing Casting and Converter Man to wear adequate molder's boots, and will provide them at no cost to those employees. If a significant change in this existing operation occurs, which warrants a change in the requirement for molder's boots, it will be reviewed by the Safety Dept. and with the Union, prior to discontinuance by Management of Molder's boots at company expense. Following is the procedure by which this policy will be implemented.

1. Molder's boots are required on the following production operations, and employees assigned there to on a regular basis will be provided with proper molder's boots. Employees who are temporarily assigned to these operations will be provided necessary protective equipment for the duration of the temporary assignment, classification Bearing Casting and Converter Man.
2. Molders boots where required will be replaced as needed, following issuance of company paid boots. It will be the responsibility of the Safety Dept. to determine the need for replacement. Worn boots must be turned in to the Safety Department at the time of replacement.
3. New employees regularly assigned and classified Bearing Casting or Converter Man, where molder's boots are required, will purchase such boots from the Safety Dept. at their own cost. Such an employee who acquires six (6) months of seniority shall be reimbursed for the cost of the molder's boots, necessarily purchased by him from the Safety Dept. during that period. Thereafter, such employee will fall within the preview of Paragraph 1 above.
4. The Safety Dept. will maintain adequate records as to the name and classification of the employee being issued safety boots, and the date of issue. Excessive wear in relation to the type of work being performed will be investigated.
5. It is understood that, as with any company-provided equipment, employees will be responsible for loss or for deliberate damage and will be charged accordingly. Further, at such time an employee is permanently transferred from the aforementioned area, it is understood that the molder's boots issued the employee will be immediately returned to Management.

Demand No. 130

The Union demands that Test Mechanics (Department #0873) be furnished two pairs of safety shoes each year.

Settlement:

This demand is resolved without prejudice on the basis that Management will reimburse the employee for the purchase of two pair of oil-resistant safety shoes initially, and the replacement of one pair of oil-resistant safety shoes per year for each Test & Service Mechanic, if their current safety shoes have become unserviceable as a result of exposure to fuel or oil. The employee must submit the damaged shoes to his or her supervisor prior to replacement and provide a receipt for reimbursement.

Demand No. 131

The Union demands that Oil Stores Personnel be furnished with at least one pair of safety shoes per year.

Settlement:

This demand is resolved on the basis that only employees classified as Attendant, Oil Stores will be reimbursed for one pair of company approved safety shoes per year, and replace shoes if they are ruined due to unseen or unexpected circumstances. Rubber boots are available for use when jobs which would damage shoes are assigned.

Demand No. 132

The Union demands that the employees of Department #0598 receive safety shoes as needed.

Settlement:

This demand is resolved on the basis that employees classified Test & Service Mechanic in Department 0598 will be reimbursed for one pair of company approved safety shoes per year, and will be replace if they are ruined due to unforeseen or unexpected circumstances. In addition, rubber boots are available for use when jobs which would damage shoes are assigned.

Demand No. 133

The Union demands that Management provide new gloves, and not rewashed upon request.

Settlement:

It is Management's responsibility to issue gloves to employees assigned to operations requiring such protective clothing. It would be impractical to confine each such issuance to new gloves. Management will issue gloves which are in good serviceable condition. Gloves re-issued to employees will be cleaned and will not contain chips and shaving patches to the extent that their use will be adversely affected. Any complaints to the contrary may be taken up by the employee with his immediate supervisor, and suitable gloves will be furnished. New gloves are available in Heat Treat departments for employees assigned to perform work in Heat Treat Furnace Operator and Control Man classifications as needed.

Demand No. 134

The Union demands that any employee be permitted to obtain clean shop towels from the crib at any time.

Settlement:

This demand resolved on the basis that shop towels will be provided as required by individual job assignments. It is understood that this settlement will not interfere with any mutually satisfactory method currently in effect at this Company.

Demand No. 135

The Union demands that if any employee dies on company property as a result of an occupational or non-occupational illness or injury, the company will be responsible for the ambulance fees.

Settlement:

If an employee dies on Company property, Management will pay for the fees associated with ambulance transportation.

Demand No. 136

The Union demands that first shift employees required to see the doctor during the day shift hours be paid for all time involved.

Settlement:

Midnight shift employees who are required by Management to see the Medical Director may make an appointment to see him beginning at 5:00 a.m. on Friday morning, subject to his availability. These appointments must be scheduled with the midnight shift nurse no later than the end of the employee's shift on the Wednesday prior to the Friday in question. It is understood that these appointment hours are not intended to be used by employees returning from leaves of absence of any kind. Such matters will continue to be handled during the Medical Director's normal office hours Monday through Friday.

Demand No. 137

Payment of people going home due to illness or accident.

Settlement:

- A. An employee injured at work who is required to leave the plant as a result of said injury, shall be paid for the full shift at his regular rate.
- B. In cases of personal illness, the employee will be paid only until it is determined that the employee should go home. If the employee goes back to work there is no loss of time.

Demand No. 138

The Union demands that employees injured on the job be paid until returned to plant, when taken to outside doctor or hospital.

Settlement:

Under current operating conditions, it is Management's policy that employees who are sent home after an occupational injury at work will be paid at the appropriate rate for the balance of the scheduled work shift for the day the injury occurs.

Demand No. 139

When employees are hurt or become sick on the job, and the Foreman is not available, he shall be permitted to go to First Aid without a pass.

Settlement:

This demand resolved on the basis, consistent with our long standing practice, in those cases involved an "emergency" demanding immediate attention, and the Supervisor is not available: a First Aid Pass will not be required.

Demand No. 140

The Union demands that all employees be paid for all time spent in First Aid.

Settlement:

Any employee who has been absent from work 7 days or more because of illness, Medical Leave of Absence, or who has been sent home by the Medical Department, must before he returns to work be approved by the Medical Director or his authorized representative as the case may be. In order to avoid delay when returning from a Sick Leave, employees should secure the necessary approval from the Medical Department on the day prior to the date of intended return to work. Employees who report to the Medical Department prior to the start of their shift with a release from their personal physician stating that the employee is able to resume his or her normal and regular job assignment will be permitted to return to work. The employee may be notified by the Medical Department to report to that office for a physical examination. If, after the examination, the Medical Department finds the employee acceptable to continue, the employee will return to work. The employee's pay will continue through the time spent in the examination. If, on the other hand, the examination does not reveal the employee to be in the opinion of the Medical Department, acceptable for work, the employee's pay will be stopped with the termination of the examination and the employee will clock out of the plant. Any employee who finds it necessary to visit the Hospital or First Aid facilities in the plant during his regular working hours must secure the necessary approval of his supervisor (emergencies excepted) and present same to the Nurse on duty. Thereafter, a determination will be made as to whether the individual will be returned to work or excused from work. If excused, he will be paid for all time prior to the determination. Those employees of the Midnight shift who are directed or desire to stay over to see the Doctor, will be given first priority. (Emergencies excepted.)

Demand No. 141

The Union demands that Management provide transportation for employees sent home, due to illness.

Settlement:

Under current conditions, Management will continue the current practice of attempting to contact a member of the employee's family to pick up an employee who becomes ill at work. Additionally, Management will continue the practice of furnishing transportation to a hospital in an emergency dictated by the circumstances at the time.

Demand No. 142

The Union demands that a better system of communication be established for receiving outside ambulance service so the incoming service will be better informed on where they need to go in the event of an emergency.

Settlement:

This demand is resolved on the basis that effective July 2, 1990 the Medical Department has contracted with Emergency Medical Ambulance Service, EMAS, for EMAS to be the major provider of ambulatory services to Allison Engine Company. EMAS staff has received on site orientation to our emergency plant entrances and have been provided the necessary maps and entry instructions in order to assure the most expedient service possible during emergency situations. Additionally, Allison Engine Company's medical staff has been officially informed of the Company's contract with EMAS and has been given specific written instruction regarding the information they must relay to EMAS drivers during service calls.

Demand No. 143

The Union demands that employees working with the Instapak process (utilizing MDI) be given a respiratory test by the First Aid Department every three (3) months.

Settlement:

This demand is resolved on the basis that as long as the Instapak process (utilizing MDI) is in use, employees assigned to this work will receive annual pulmonary function tests.

Demand No. 144

The Union demands that the emergency phone call system be upgraded.

Settlement:

Employees should secure primary and secondary emergency telephone number from their immediate supervisor. During first and third shifts Plant Security should be contacted on 230-4138. It is understood that non-emergency telephone calls will not be accepted. Caller must know employees full name and department number.

Demand No. 145

The Union demands the Company strengthen the process of Security notifying employee of an emergency from the outside.

Settlement:

Emergency phone calls will be processed as follows:

The Security Officer will do the following:

1. Obtain the name, department number, department telephone number of the employee receiving the emergency call when known.
2. Obtain the name and phone number of the person calling.
3. Call the department and ask for the employee. *If the employee is unavailable, request that person to tell the employee to call Security and obtain the name of person talked to.*
4. *If no response within 15 minutes:*
 - a) *Call SBU's Manager's office for assistance, if they cannot help then...*
 - b) *Have the employee paged.*
 - c) *If no response within 5 minutes, call the requester back and ask if they want the officer to keep trying.*
 - d) *If the emergency is life threatening and the requester still wants contact, dispatch someone to the department to try to make contact.*
5. *If the above items have been exhausted and no contact has been made, call the requester back and inform them the message was not relayed.*

Demand No. 146

The Union demands that Social Security numbers not be used on Seniority Board or any publication.

Settlement:

Under current operating conditions, employees' Social Security Numbers will not be displayed on the Seniority Lists, or any other material that is posted in the Plant. Any future requirements not known at this time regarding this type of employee identification will be reviewed by the parties at that time.

Demand No. 147

The Union demands that the seniority boards at Plants #5, #8 and #11 be updated on a weekly basis.

Settlement:

This demand is resolved on the basis that Management will post seniority lists on the first and third week of each month.

Demand No. 148

The Union demands that the social security numbers not be visible in pay check window.

Settlement:

Social security numbers will not be visible on checks or advices.

Demand No. 149

The Union demands that Union Bulletin Boards be installed at Plant #8 and Plant #5 and in both Powerhouses at Plant #8 and Plant #5 to post Union information.

Settlement:

This demand is resolved on the basis the new bulletin boards will be purchased and installed at the following locations within 45 days of ratification.

Plant 8

Bay Location C-20

Bay Location G-38

Powerhouse

Plant 5

Bay Location E-22

Bay Location X-18

Bay Location O-15

E Cafeteria

Powerhouse

Bay Location Y-16

Demand No. 150

The Union demands that all employees have transfer rights between Plants #5 and #8.

Settlement:

This demand is resolved on the basis that if two employees from the same classifications in Plants 5 and 8 apply for transfer under the terms of Local Demand Settlement No. 151, and both are capable of performing the work in question, the employees will be transferred during the next scheduled work force adjustment. Department 0533 (Janitor and Factory Maintenance) is excluded from consideration under the provisions of this settlement.

Demand No. 151

The Union demands a plant preference agreement be negotiated for non-skilled employees.

Settlement:

This demand is resolved on the basis that employees, other than those assigned to skilled trades classifications, may make application in writing for transfer between plants to an opening within their classification and will be transferred subject to the following conditions:

1. The employee must be capable of performing the job opening which occurs.
2. Employees may file only (1) application in a twelve (12) month period from date of application or from date of transfer, whichever is later under this understanding.
3. The application must be made on the form provided and must designate his plant preference. The employee will only be considered for transfer to a vacancy in the preferred plant.
4. Only applications that are on file in the Personnel Department by the end of normal office hours on Monday will be considered for a vacancy that is to be filled the first scheduled work day of the following week. Disputes regarding this provision should be referred to Labor Relations by the Chairman of the Bargaining Committee for resolution.
5. If there is more than one applicant for a classification, and an opening occurs, the applicant with the greater seniority will be given preference for the transfer.
6. In order to facilitate training and to maintain a proper distribution of skills required in a specific area, it is understood that this procedure will only apply to the extent that Management has the flexibility to give full protection to the efficiency of the operation under all circumstances and conditions.
7. The terms of this agreement will only be applied to primary openings caused by increases to the head count or attrition (deaths, retirements, terminations) before reduced or laid-off seniority employees are recalled or new employees hired to fill the vacancies.

Demand No. 152

The Union demands that when an employee is transferred from one plant to another, he be given notice twenty- four (24) hours prior to said transfer. Also, tool boxes be transported from one plant to another, at request of employee.

Settlement:

Management will, whenever practicable, give 24 hours notice prior to transferring employees from one plant to another. In cases where the transferring employee's tool box is too heavy for him to personally move, he may request to have it transported. If he so requests he will sign a waiver of indemnification releasing Management from any liability arising from the employee's choice to have his personal property transported between plants. Failing to sign the waiver, the employee will transport his own tool box.

Demand No. 153

The Union demands that employees be told three (3) days prior to the time, their classification is to be changed.

Settlement:

This demand resolved on the basis that employees will be promptly advised of any changes in their classification.

Demand No. 154

The Union demands that the practices of changing an employees shift on a temporary basis be corrected.

Settlement:

The conditions whereby a temporary transfer may be made are specified in Paragraph III of the Local Shift Preference Agreement. An employee's classification or shift will not be changed to circumvent the application of the Local Shift Preference Agreement. Complaints in this regard may be discussed by the Chairman of the Bargaining Committee and the appropriate Manager.

Demand No. 155

The Union demands that when an employee changes shifts, his or her clock number will be changed effective the date of the shift change.

Settlement:

This demand is withdrawn on the basis that a Total On line Personnel System will be installed in approximately 9 months. It is anticipated that this system will produce a "T" code for anyone who has changed shifts without proper paper work. The Chairman of the Bargaining Committee will be provided a current copy of this list of people with "T" codes on a weekly basis. The Committeemen may view this list upon request.

Demand No. 156

The Union demands that when an employee changes shifts, that his clock number be changed effective the date of the shift change.

Settlement:

Time cards of employees who are permanently transferred from one shift to another, or from one department to another will be changed as soon after the transfer as possible. Employees who are permanently transferred in the middle of a pay period, and whose transfer cannot be cleared through the record keeping system until the weekend shall have their time cards marked in such a manner, so as to designate on which shift they work, or in the case of departmental transfers, have their time cards moved to the time card rack where employees working in the department to which the employee is transferred are situated. The parties recognize that problems exist in the

processing of transfers as mentioned above. Problems which exceed one week will be called to the attention of the Hourly Record Section and the situation will be corrected not later than three working days after the notification is received.

Demand No. 157

The Union demands that when an employee is granted a 63-B transfer to primary department in his/her classification and subsequently gets bumped by seniority employee exercising their shift preference rights, that he/she can reapply under the Transfer Agreement.

Settlement:

Employees granted interdepartmental transfers shall be precluded from transferring again under the provisions of the transfer section of this agreement for a period of twelve (12) months from date of their previous transfer or until they are moved out of their department by management or bumped out of their preferred department as a result of another employee exercising their shift preference rights, whichever occurs first.

Demand No. 158

The Union demands that all personnel moves in Assembly and/or Inspection go through the Personnel Department.

Settlement:

This demand is granted on the basis that the Union will be provided with copies of all personnel moves and shift preference moves upon request.

Demand No. 159

The Union demands that each District Committeeperson receive a copy of the daily time (IBM) run for each department in his District.

Settlement:

Management will authorize and make arrangements for pertinent data necessary, including time and attendance reports, in the investigation of an employee's complaint registered under the provisions of Paragraph (30) of the National Agreement and for other legitimate representation functions as provided for in the Agreement. Requests directed to Management for such necessary information will be provided in a manner subject to the circumstances involved.

Demand No. 160

The Union demands that each District Committeeperson be given a corrected copy of the prior week Time and Attendance run out each Monday.

Settlement:

This demand is resolved on the basis that the semi-final copy of the Time and Attendance Report, which is edited by the supervisor, will be made available for the District Committee person's review. The parties suggest that such copy be maintained in the respective Superintendent's office or other mutually satisfactory location and retained for such review for six (6) days. The Chairperson shall receive the final copy.

Demand No. 161

The Union demands that the Union Representatives (District, Zone and Chairperson), be given a copy of the Shift Preference moves, work force adjustment moves upon request.

Settlement:

This demand is resolved on the basis that copies of scheduled Shift Preference moves, skilled and production employees, will be made available to the Chairperson of the Shop Committee.

Demand No. 162

The Union demands that the Shop Committee be provided with all information concerning Service Contracts.

Settlement:

The parties agree to form a joint committee to address the issue of service contracts currently in existence, and to jointly develop a notification procedure pertaining to any future service contracts. This procedure will apply to equipment involved in the manufacture and inspection of Rolls-Royce Allison products.

Demand No. 163

The Union demands that upon request from a Union representative, they be given copies of the employees in plant records or any other information requested.

Settlement:

Requests for access to necessary employee records required in the proper investigation of an employee complaint will be directed to the Labor Relations office for prompt handling.

Demand No. 164

The Union demands the time cards and overtime records in time keeping office, be made available upon request, to any Union official.

Settlement:

Management will authorize and make arrangements for the review of pertinent data necessary in the investigation of an employee complaint registered under the provisions of Paragraph (30) of the National Agreement. Requests directed to Labor Relations for such necessary information will be provided in a reasonably expeditious manner subject to the circumstances involved.

Demand No. 165

The Union demands that a weekly report be made to the Union concerning the scheduling of all parts manufactured or processed by Rolls-Royce Allison.

Settlement:

This demand is resolved on the basis that the Chairperson of the Bargaining Committee will be provided a copy of the monthly OPT schedule of standard hours per classification per department.

Demand No. 166

The Union demands that any time an employee or employees are taken to a meeting, the Committeeperson will be present.

Settlement:

It is not the intent of Management to exclude the committeeperson from any meeting involving his represented employees. It is also not the intention of the Union that all employee group meetings be attended by the committeeperson. It is recognized that the parties encourage participation between Union representatives, supervision and all their employees.

Demand No. 167

The Union demands that no employee be placed on notice of disciplinary action for more than 4 hours, and if no discipline is assessed within this time limit, the matter concerning discipline will be closed.

Settlement:

This demand is resolved on the Understanding that no employee will be placed on Notice of Disciplinary Action for more than twenty four (24) hours, and if no discipline is assessed within this period, the matter will be closed. If an unusual situation would develop requiring a more extensive investigation, the Chairperson of the Shop Committee will be advised.

Demand No. 168

The Union demands that no employee be placed on notice of disciplinary action, including D.L., for more than four (4) hours. If no discipline is assessed within this time limit, the matter concerning discipline will be considered closed.

Settlement:

In the implementation of Local Demand Settlement No. 167, the parties agree that an employee will be considered on notice of disciplinary action at the conclusion of a disciplinary interview.

Demand No. 169

The Union demands that D.L.O. rooms be installed in all plants to be used by committee person's to represent employees. Furnishings to be inside and outside telephone, desk and chairs, file cabinets, blackboards, bulletin boards, coat racks and a clock.

Settlement:

Management will designate a suitable office for disciplinary interviews pursuant to Paragraphs (76) and (76a) of the National Agreement.

Demand No. 170

The Union demands that grievances at the I-B step be answered by a General Foreman or Superintendent instead of a Foreman duplicating the I-A Answer.

Settlement:

This demand resolved on the basis that, in that instance when one supervisor has provided the Step I-A answer to an employee's grievance, another Supervisor will provide the Step I-B answer.

Demand No. 171

The Union demands the supervision involved in the I-A and I-B step of the procedure, be required to put a disposition on all cases.

Settlement:

This demand is resolved on the basis that supervisors involved in the I-A and I-B steps of the grievance procedure will provide a disposition to the facts stated in the grievance.

Demand No. 172

The Union demands that Management supply District Committeeperson's grievance pads upon request.

Settlement:

Grievance pads will be made available to District Committeeperson's through their Supervisors.

Demand No. 173

The Union demands when a grievance settlement is made removing a notation from an employees record, the complete record be destroyed, and a new record card issued for the employee.

Settlement:

This demand resolved on the basis that when an entry is removed from an employee's record card as the result of a grievance settlement, the Notice of Disciplinary Action form (department copy) involved in that settlement will be destroyed.

Demand No. 174

The Union demands Management supply Grievance pads upon request and the amount request.

Settlement:

Management will continue the current practice in effect at this operation of providing grievance pads to the Chairperson of the Shop Committee or members of the Shop Committee so designated by the Chairperson.

Demand No. 175

The Union demands that Management abide by the provisions of the Local Demand Settlement No. 21.

Settlement:

To facilitate administration of the grievance procedure, it is agreed that the following steps will be taken.

1. The Union will put department and shift on the face of the grievance, as well as social security number on the line provided for clock number.
2. The pink copy of grievance settled for pay at the 1A and 1B will be forwarded to Labor Relations, N20A, by the District or Zone Committeeperson.

Upon request of this copy, the Labor Relations Department will take the necessary steps to ensure payment of the grievance settlement within 14 days following the pay period in which the claim is received in the Labor Relations Department.

Demand No. 176

The Union demands that when grievances are not discussed at the Second Step because of Management's refusal to meet, then those cases will reflect in the Second Step Minutes as Management's extensions.

Settlement:

The Parties recognize their responsibilities to meet and resolve grievances as specified in the National Agreement. The scheduling of meetings is not a unilateral matter for either party. The basis for reflecting extended grievances in the Second Step Minutes is a matter subject to discussion between the parties.

Demand No. 177

The Union demands that when discipline is removed from an employee's record, that the card will be destroyed and a new card placed back in the employee's record.

Settlement:

This demand is resolved on the basis that until a computerized disciplinary record system is established, new employee discipline entries will be placed on a separate discipline record card (currently Form 703-1) and be retained in the employee's record card file until the discipline is removed from the employee's record. When the entry is removed from the employee's record the card will be destroyed. Old disciplinary record cards will be removed from the employee's record card file and destroyed when all entries on that card have been removed from the employee's record. This settlement is not intended to require a retyping of the employee's Employee Record Card (Form 703).

Demand No. 178

The Union demands that the Union be provided any information concerning any changes in the head count of each department.

Settlement:

The Chairperson of the Bargaining Committee will be provided a list which will show the final personnel movement resulting from workforce adjustments.

Demand No. 179

The Union demands that all tape recording devices be removed from Labor Relations staff, including Labor Relations Secretaries.

Settlement:

The dictation recorders in the Labor Relations office are used for internal dictation purposes only.

Demand No. 180

The Union demands that a local Memorandum of Understanding for handling policy grievances be negotiated.

Settlement:

The current memorandums of understanding for handling policy grievances will remain in effect.

Demand No. 181

The Union demands that form 1945 be changed so that the second copy is the Committeeperson's copy.

Settlement:

This demand is resolved on the basis that upon the exhaustion of the current supply of form 1945, Management will provide a new form 1945 with the second copy to be presented to the Committeeperson.

Demand No. 182

The Union demands that a permanent committee be established to investigate outsourcing.

Settlement:

This demand is resolved without prejudice to either parties' position on the basis that outsourcing concerns and issues raised by the Union will continue to be investigated by a joint Management/Union committee, that will be jointly selected by members of the JOBS committee. This committee will only function as needed, as determined by the Local JOBS Committee.

Demand No. 183

The Union demands that coat racks and lockers be installed in all plants in all departments in an area enclosed.

Settlement:

Under current conditions, floor lockers are available in all plants for each employee that requests a locker.

Demand No. 184

The Union demands the stop lights at Raymond Street and back entrance to Plant #5, be in operation 24 hours a day.

Settlement:

Management will talk with the City of Indianapolis, Department of Transportation, in an effort to get the City to make changes to the stop light at the intersection of Raymond Street and Kentucky Avenue.

Demand No. 185

The Union demands Management abide by the personal relief policy as negotiated.

Settlement:

Management has and will continue to recognize relief as a matter of right. Any question concerning the Administration of this policy directed to Labor Relations will be reviewed promptly and necessary corrections made.

Demand No. 186

The Union demands Salary Applications once a person takes a job outside of the bargaining unit, all applications will be cancelled pertaining to the Local Agreement (Temporary or Anything).

Settlement:

This demand is granted.

Demand No. 187

The Union demands that employees from outside vendors, who are not a member of the Bargaining Unit, not be permitted to unload their trucks past the tail gate at the Rolls-Royce Allison Docks.

Settlement:

Trucks that must be unloaded at the Rolls-Royce Allison dock will be unloaded by Rolls-Royce Allison Bargaining Unit Personnel.

Demand No. 188

The Union demands Management stop supervision of salaried employees from hand carrying parts or gages from one plant to another. There is no paper work covering these items showing where they came from or the destination, or shop area.

Settlement:

Management reiterated that it was not their intention to have any salaried employee handle any phase of work that fell to hourly rated personnel including the hauling of parts. Management further stated that the appropriate Department Heads would be contacted to insure closer control within their organizations. Problems brought to Management's attention, will be corrected promptly.

Demand No. 189

The Union demands that the Platers be furnished two (2) pairs of safety shoes per year at no cost to employee.

Settlement:

The Safety Department will investigate the type of safety shoe protection needed for the Platers.

Demand No. 190

The Union demands that Salaried employees stop doing Bargaining Unit work at Plant #8, such as Pipefitting, Millwright, Painting, Electrical and Carpenter work.

Settlement:

Bargaining Unit work will be assigned to Bargaining Unit employees. Any problems concerning the assignment of salaried employees to Bargaining Unit work in Plant #8 should be brought to the attention of the Labor Relations Department by the Chairperson of the Bargaining Committee.

Demand No. 191

The Union demands that Salaried Personnel be stopped from picking up or delivering freight of any kind.

Settlement:

Bargaining Unit work will be assigned to Bargaining Unit employees. The pick up and delivery of freight will be properly assigned to the Bargaining Unit.

Demand No. 192

The Union demands that all salaried employees cease from carrying or transporting parts from one department to another.

Settlement:

The moving of parts from department to department is not the work of salaried employees.

Demand No. 193

The Union demands the use of scooters in the plants by supervision or salary, be restricted to the use of transporting personnel only.

Settlement:

The primary purpose of scooters is the efficient movement of personnel throughout the plant. they are not for transporting of items normally assigned to the Bargaining Unit.

Demand No. 194

The Union demands that Salary stop doing Bargaining Unit work at once at all plants.

Settlement:

Management agrees to assign the appropriate employees to perform bargaining unit work. It is not the intent of Management to replace bargaining unit employees with salary employees in the performance of bargaining unit work. Individuals repeatedly violating the agreement will be addressed by the appropriate senior Manager with Labor Relations and the Shop Committee during Second Step Meetings.

Demand No. 195

The Union demands that form names and numbers of all applications be entered in the Local Agreement and what they are used for. (Example: EIT applications, etc.)

Settlement:

This demand is resolved on the basis that a current list of the most used form names and numbers will be placed in the Local Agreement.

Demand No. 196

Management must provide all employees printed booklets (Union printed) containing all Local Agreements, National Agreement, Supplements thereto, and Local Understandings.

Settlement:

This demand resolved on the basis that copies of the Agreements of the type furnished to supervisors, will be provided to those employees who make a request. The information furnished will provide projected rate data for the period covered by the Agreement.

Demand No. 197

The Union demands employees making application for Skilled Trades job under Paragraph (153) of the National Agreement, be given a duplicate of the application, and be allowed to obtain information relative to the status of their application from the Personnel records section.

Settlement:

Any employee making application for a Skilled Trades classification shall be given a copy of the application. Any employee having such an application in shall be advised of the status of their application at any time upon request. Should additional information regarding the employee's qualification become available, it shall be the employee's responsibility to advise Management so that his status can be maintained on a current basis.

Demand No. 198

The Union demands that any time an employee signs any literature in regards to Rolls-Royce Allison, he will receive a copy of said literature.

Settlement:

Employees making application under the Local Transfer Agreement (Paragraph 63 of the National Agreement), Local E.I.T. Agreement (Paragraph (153) of the National Agreement), the Local Shift Preference Agreement, change of address forms or any AVO's submitted by the employee will be given a copy of any forms they are required to sign.

Demand No. 199

The Union demands that Union Bulletin Boards along with information racks, for Union information only, be installed in each Mall and Plant Entrance.

Settlement:

It is the intent of the parties to provide Union Bulletin Boards at suitable locations which provide employees with ample opportunity to read the posted literature. As such, Union Bulletin Boards will be strategically relocated near the Malls and at Plant Entrances used by hourly employees.

Further, joint Union-Management information racks will be provided, to be located at Plant entrances.

Demand No. 200

The Union demands that Management provide all employees with a copy of all written agreements.

Settlement:

In the event a Supplement is negotiated to the Agreements in effect, such will be distributed upon request.

Demand No. 201

The Union demands the code numbers of job classifications be put in the back of the Local Agreement.

Settlement:

The Rolls-Royce Allison wage classification code numbers will be entered in the Local Agreement.

Demand No. 202

The Union demands that Management provide copies of the Local Agreement for distribution to all employees. This book will include a table of contents and alphabetized index of demand settlements. This booklet will also contain a calendar which covers the years of the Agreement and will be made available no later than 45 days after ratification of the agreement.

Settlement:

This demand is resolved on the basis that Management will provide copies of the Local Agreement to all hourly employees within 60 days from the date of ratification of the Local Agreement.

Demand No. 203

The Union demands that parking spaces at Plant #8 and #5 be on a first come first served basis, except handicap.

Settlement:

This demand is resolved on the basis that first come, first served parking is not intended to be used by salaried employees who have been assigned a reserved parking space.

Demand No. 204

Keep Parking Lots cleaned from glass. This condition is existing also in the Foreman's parking area.

Settlement:

This demand resolved on the basis that Rolls-Royce Allison parking lots will be adequately maintained and problems regarding such parking lots when called to the attention of Labor Relations, will be reviewed and appropriate action taken.

Demand No. 205

The Union demands that all parking lots be cleaned, on a weekly basis.

Settlement:

Necessary maintenance service will be supplied to keep the parking lots clean. Trash barrels will be provided in the parking lots. Instances whereby trash barrels are used for other than their intended purposes, will be reviewed with the Union. Severe abuse of such barrels will result in their removal. The parties realize that a spirit of cooperation is necessary among employees in order to maintain clean parking lots.

Demand No. 206

The Union demands that all cycle parking areas be enlarged, made of cement, and next to the Guard shacks.

Settlement:

Under current conditions, metal stripping will be installed on asphalt surfaced motorcycle parking areas. Management will provide a properly anchored locking device for the use of motorcyclists within a designated parking area.

Demand No. 207

The Union demands parking lots be patrolled on a regular basis to protect the property of employees.

Settlement:

Parking lots will be patrolled and/or monitored on a regular basis.

Demand No. 208

The Union demands that parking spaces be on a first- come basis, except handicapped.

Settlement:

In response to this issue, Management agrees to:

1. Re-assess current number and assigned uses of existing parking spaces toward the end of freeing up more convenient spaces for first-come, first-serve parking.
2. Increase number of spaces available for first-come, first-serve parking by reducing allocation to shift supervisory redundancy.
3. All new parking areas will be designated as non-reserved, first-come, first-serve parking by geographic relocation of current reserved spaces.
4. Increase number of spaces available for convenient first-come, first-serve parking by geographic relocation of current reserved spaces.

These agreements recognize the need to retain designated parking for vendor visitors, interplant travel, medical staff, handicapped employees, company pool cars and employees whose job function requires interplant travel.

Demand No. 209

The Union demands no parking spaces be numbered. First come, first serve basis always works out fair to all.

Settlement:

Management will increase non-reserved parking to 40 spaces at the Plant 8 South parking lot.

Demand No. 210

The Union demands the company make stickers with the employee clock number to put in your car, so if you leave your lights on, etc. security can notify you.

Settlement:

Management will provide voluntary parking decals for identification purposes.

Demand No. 211

Cafeteria conditions such as quality and quantity of food, prices charged and matters pertaining to cleanliness, shall be improved and Management shall provide for complaints to be adjusted speedily.

Settlement:

This demand is resolved on the basis that Management will continue to demand from the cafeteria Management the highest quality food at the lowest reasonable prices possible.

Demand No. 212

Where hot lunches are to be served in the cafeteria, they will keep food hot for all shifts.

Settlement:

This demand resolved on the basis that when hot lunches are served and where served, every effort will be made to keep the food hot. Any problem arising regarding this, will be called to the attention of Labor Relations for necessary corrective action.

Demand No. 213

The Union demands that cafeteria grills be used for serving eggs, pancakes, etc. for breakfast.

Settlement:

Under current operating conditions and upon receipt of written notice of ratification of the Local Agreement, a trial period will be established whereby eggs to order and pancakes will be made available in the office area and Eatins Easy cafeterias, at Plant #5. If the trial period shows this service to be economically feasible such will be continued. If employee participation does not warrant the expenses, the Shop Committee will be advised prior to the discontinuation of this service.

Demand No. 214

The Union demands that all chairs and tables in all cafeterias and canteens be regularly inspected, cleaned and painted and kept in good repair at all times.

Settlement:

It is Management's intention that cafeteria tables and chairs be kept in satisfactory condition consistent with sound housekeeping principles. The metal chairs currently in use in Plant #5 Cafeterias and canteen will be inspected and necessary corrective action, including painting if required, will be initiated on those chairs found to be unsatisfactory.

Demand No. 215

The Union demands that rest rooms and cafeterias be cleaned on a daily basis, by the properly classified employees.

Settlement:

During the Local Negotiations, the parties discussed housekeeping conditions in rest room facilities and cafeterias at length. The Company recognizes its obligation to provide a healthful environment for employees. The Union recognizes its obligation to cooperate in maintaining and improving the condition of these facilities through its Membership. Cafeterias and rest room facilities are cleaned on a regular schedule and are adequately maintained in view of the nature of operations at this location. In order to insure that these facilities are maintained to acceptable standards, the Local Health & Safety Committee will monitor the program by making periodic inspection tours and establish priorities to maintain and accomplish this objective. Additionally, the Chairperson of the Shop Committee should review any specific problems with Labor Relations.

Demand No 216

The Union demands that all cafeterias and canteens be cleaned on a daily basis and supplied with ash trays.

Settlement:

Cafeterias and canteens are cleaned on a daily basis, including Saturday and Sunday, when the plant is in operation and those facilities are open for use.

Demand No. 217

The Union demands that a receipt be provided when a purchase is made in the cafeteria.

Settlement:

This demand is resolved on the basis that Management will require the cafeteria-provider to supply receipts for all purchases made in the cafeterias.

Demand No. 218

The Union demands that the Eatin Easy Cafeteria be sprayed for bugs once a week, the tables cleaned daily, broken lights or fans be replaced and clean the bugs out of the grid lights.

Settlement:

The cafeteria shall be sprayed each three months or as requested by cafeteria personnel. Routine cleaning shall be performed during normal working days.

Demand No. 219

The Union demands that all Break Malls be enclosed.

Settlement:

During these negotiations the parties held extensive discussions regarding the break malls. Management and the Union, as a result of these negotiations have agreed, that as areas are impacted by the implementation of MSE, suitable enclosed break malls will be included as a part of the design/layout of each SBU.

Demand No. 220

The Union demands an enclosed break area away from shop environment including air filtration be provided.

Settlement:

Management agrees to provide a relief area for employees that has proper air conditioning, reduced noise level and improved tables and chairs. The parties will work together to establish this relief area in the Evansville facility.

Demand No. 221

All coke, coffee, milk machines and vending machines; to be serviced so that they are full on Saturdays and also during the week.

Settlement:

This demand is resolved on the basis that it is Management's intention to continue to demand from the Vendors that vending machines will be serviced on a regular basis.

Demand No. 222

The Union demands that enclosed air conditioned malls be installed in centrally located areas of all plants. Furnishings to be tables, chairs, a full line of vending machines, telephones and dollar bill changers; with no salary or patrolmen to be allowed in the area. The numbers, size and location to be negotiated between the parties.

Settlement:

This demand resolved on the basis that malls are to be provided throughout the Company. These will be permanent areas surrounded by an appropriate barrier. They will be furnished with tables and suitable seating, vending machines, coin changers and trash cans. It is understood that employees will accept the responsibility for good housekeeping in these areas by using the trash containers which will be provided. In order to eliminate congestion in these areas, employees will be advised to use the mall nearest their work station. It is understood that the use of

canteens and cafeterias will no longer be used by employees as areas for taking relief. If experience proves that the malls to be provided are inadequate to provide for suitable relief areas, additional facilities will be provided as determined by the parties.

Demand No. 223

The Union demands ice cream machines be installed on the same basis as all other vending machines.

Settlement:

As long as current operating conditions prevail, ice cream machines will continue to be provided. In the event patronage is not sufficient to warrant the retention of an ice cream machine, the matter will be reviewed with the Union.

Demand No. 224

The Union demands that all vending machines be serviced on a daily basis, including weekends and overtime.

Settlement:

Management will review this matter with the vendor. Every effort will be made to provide adequate vending service consistent with the scheduled work force, with special attention being given on overtime and weekends, commensurate with the scheduled work force.

Demand No. 225

The Union demands that vending machines be installed to dispense potato chips, pork rinds, pretzels and popcorn.

Settlement:

Items of the nature specified in this demand have been placed in vending machines at various locations in the plant. Such items will be retained as long as patronage justifies their retention, and is not detrimental to the products of the Company.

Demand No. 226

The Union demands that all shifts be provided with vending machine food at all times.

Settlement:

Demand granted.

Demand No. 227

The Union demands that sandwich, pastry and ice cream vending machines be placed in all plants of the Rolls-Royce Allison in the working area for the workers convenience during working hours. The machines to be added to the vending machines that presently exist in the plants.

Settlement:

Management will expand the current vending machine service to include pastry and sandwich machines. The machines will be installed on the same basis that the other types of vending machines in the plant are.

Demand No. 228

The Union demands ice machines be placed in all break malls.

Settlement:

This demand is granted.

Demand No. 229

The Union demands CNN Headline News be played in break areas and lunch areas around the clock.

Settlement:

The news segment of CNN Headline news will be broadcast during the following times: 3:00 AM; 6:00 AM; 7:00 AM; 10:30 AM; 11:00 AM; 11:30 AM; Noon and 7:30 PM.

Demand No. 230

All restrooms to have individual doors placed on each individual booth.

Settlement:

This demand was resolved on the basis doors are being installed in the restrooms.

Demand No. 231

New door latches will be installed on penthouse doors, where needed.

Settlement:

Demand resolved on basis that door latches will be repaired or installed on the penthouse doors. The cooperation of all employees is necessary to continue and insure utilization of such devices.

Demand No. 232

The Union demands that all Penthouse Stall room doors be inspected on a regular basis and repaired as needed concerning latches and hinges as well as painted.

Settlement:

This demand is resolved on the basis that restroom stall doors will be regularly inspected and repaired as needed including latches, hinges and painting. Any problems associated with the above items can be reported to Maintenance on Extension 4128 (Plant 5) and Extension 4374 (Plant 8). It is understood that all employees must utilize restroom facilities in a responsible manner in a effort to minimize damage and repair.

Demand No. 233

The Union demands some type of overhead circular reflecting type mirror to be installed between bay locations R-24 and S-24. It's hazardous for pedestrians, truck drivers/hand truck operators to deliver stock to and from in between the Immersion Ultrasonic Building, Stop #243 and the Mag and Zyglo tent. Visibility is obstructed to see or to be seen. All overhead circular reflecting type mirrors need routine cleaning maintenance throughout the Division.

Settlement:

This demand is resolved on the basis that due to the urgency of the need described in this demand, an overhead mirror was installed between bay locations R-24 and S-24. Management will clean overhead mirrors as required.

Demand No. 234

The Union demands that Penthouses, Malls and Cafeterias be cleaned on each shift.

Settlement:

During Local Negotiations, the parties discussed housekeeping conditions in restrooms, malls and cafeterias at length. The Company recognizes its obligation to provide a healthful environment for employees. The Union recognizes its obligation to cooperate, in maintaining and improving the condition of these facilities through its membership. Cafeterias, Malls and Restrooms facilities are cleaned on a regular schedule and are adequately maintained in view of

the nature of operation at this location. To assure that Restrooms, Malls and Cafeterias are serviced as scheduled, employees servicing the above facilities will maintain a log provided by Management stating the employees identification, date, time, area serviced and extent of service. Management will make this log available for review by the Chairman of the Bargaining Committee and the Local Joint Health and Safety Committee.

Demand No. 235

The Union demands that all restrooms be steamed cleaned once per month.

Settlement:

This demand is resolved on the basis that the Plant #5 Maintenance Department will have a steam cleaning unit available and all penthouses will be steamed on a three (3) month schedule.

Demand No. 236

The Union demands that all restrooms be cleaned and disinfected on the day shift and 3rd shift on a daily basis. This would consist of cleaning each toilet and disinfect each one, also, clean and disinfect the wash basin.

Settlement:

This demand is resolved on the basis that penthouses will be cleaned and disinfected on a daily basis on the midnight shift and serviced on the day and afternoon shifts. Management agrees to add two additional Factory Maintenance employees to the midnight shift, to be reviewed by the parties every three months.

Demand No. 237

There will be no interference from members of Supervision when employees are using the penthouse for their personal use. No dual supervision.

Settlement:

This demand was resolved on the basis Management will not interfere with employees utilizing penthouse facilities for their legitimate personal relief.

Demand No. 238

The Union demands all water fountains be cleaned at least once daily, and be kept in a sanitary condition at all times.

Settlement:

Drinking fountains will be cleaned with the required frequency to insure sanitary and safe drinking water to the employees.

Demand No. 239

The Union demands that all toilets in all plants of the Rolls-Royce Allison be cleaned and disinfected on a daily basis.

Settlement:

Both parties recognize that clean sanitary rest rooms are not only desirable but a necessity. In that light, employees have an obligation to assist by not littering or defacing the facilities. Management will provide necessary maintenance service to keep the rest rooms clean and properly stocked. Special attention will be given to problems raised by the Shop Committee.

Demand No. 240

The Union demands that the restrooms, malls and cafeterias are exterminated on a regular basis.

Settlement:

This demand is resolved on the basis that restrooms, malls and cafeterias are exterminated on a regular basis. Additional treatments will be administered as required.

Demand No. 241

The Union demands that the floor in By-products, Department #0508; be scraped once a month and cleaned once a week, due to the high chip and oil content. (Work to be performed by Factory Maintenance)?

Settlement:

This demand resolved on the basis that Department 0508 floor will be scrubbed three times per week (Monday, Wednesday, Friday) on the midnight shift performed by Factory Maintenance employees.

Demand No. 242

The Union demands that new soap dispensers be placed in all restrooms.

Settlement:

This demand is resolved on the basis that all soap dispensers will either be replaced or repaired on an as needed basis and be maintained in good working order.

Demand No. 243

The Union demands at least one more restroom per gender (including shower) will be installed in the Evansville facility.

Settlement:

Management agrees to install an additional men's and ladies restroom.

Demand No. 244

The Union demands that all Penthouses be renovated.

Settlement:

Management will paint the interiors of the penthouses and repair doors as needed in the following penthouses: At bay locations AO21B, AO21B and AH17B. In addition, the doors in the men's restroom across from Eatin' Easy will be repaired as required.

Demand No. 245

The Union demands Management spray for roaches in bathrooms and drinking fountains on a regular basis.

Settlement:

Management will provide pest control on three month intervals for restrooms and drinking fountain areas. Additional treatments will be provided as needed. Any problems with obtaining additional treatments shall be brought to Labor Relations for resolution.

Demand No. 246

The Union demands that the Department 0535 oiler area be fenced-in and secured with a lock.

Settlement:

This demand is resolved on the basis that a fenced crib area with a lock will be provided to the Department 0535 oilers located to the west of the Health and Safety Training Area, if relocation is necessary, the parties will discuss and agree on the new location.

Demand No. 247

The washing and processing of parts for Magnetic & Fluorescent Inspection operations must be performed by the Inspector, Magnetic & Fluorescent classification.

Settlement:

This demand was resolved on the basis that where the processing of parts for Fluorescent and Magnetic Inspection is an integral part of the inspection responsibility, it will be performed by qualified Inspectors.

Demand No. 248

The Union demands that Propellers be installed by the classification of Test Mechanic.

Settlement:

This demand is resolved on the basis that the installation of slave propellers on Experimental Prop Stands will be performed by employees assigned to the "Experimental Aircraft Engine Test Mechanic" classification. Engineers or Technicians may assist in the installation if engineering observations are required.

Demand No. 249

The Union demands that Department 0550 be air conditioned.

Settlement:

This demand is resolved on the basis that four floor standing pedestal fans will be provided at appropriate locations that portion of Dept. #0550 located on the dock bounded by Bays A-26 and E-27.

Demand No. 250

The Union demands that employees in department #0569 not be required to run tape machines and burr parts at the same time.

Settlement:

This demand resolved on the basis of the Understanding reached on Grievance #107238, which provides the following in department #0569: There are several machining operations in department #0569 that operators burr pieces while machine is in cycle and operators are not responsible for scrap or quality that might be caused by machine malfunction during cycle of which they are burring parts.

Demand No. 251

The Union demands that the dust problem being created by the Blast and Tumble Machines in Department #0583, be corrected.

Settlement:

This demand is resolved on the basis that the referenced equipment will be repaired as needed to alleviate the dust problem. Additionally, operators of the equipment will be properly instructed on the use and maintenance of the equipment so as to minimize the dust problem. Finally, the area will be serviced on a regular basis by General Maintenance and Refrigeration and Air Conditioning Maintenance personnel.

Demand No. 252

The Union demands that the NITAL ETCH parts at Plant #8 be run through Mag & Zyglo instead of the plating room.

Settlement:

This demand is resolved on the basis that the acceptance of nital etch parts will be done by the proper certified N.D.T. classification in accordance with the proper Rolfs-Royce Allison Procedures.

Demand No. 253

The Union demands that the Degreaser in Department 0551 be moved from the Weld Area.

Settlement:

This demand is resolved on the basis that the referenced Degreaser is in need of repair or replacement. Upon completion of this repair or replacement, new cleaning and operating instructions will be provided which are intended to eliminate the problem of fumes in this area. Failing this, the parties will again review the situation for other solutions to correct the problem.

Demand No. 254

The Union demands that the work of pickle be assigned to the Plater classification.

Settlement:

Under current operating conditions, pickle operations including derusting except pickle associated with nitride operations is the primary assignment of the Plater classification.

Demand No. 255

The Union demands that all shutting down and firing up of the plating rooms be done by employees classified Plater.

Settlement:

This demand is resolved on the basis that the shut down of Plating rooms prior to periods when the Plating rooms are not scheduled to work is the proper assignment of the Plater classification. The fire up of Plating rooms is primarily the assignment of the Plater classification where employees classified Plater are assigned to the first shift.

Demand No. 256

The Union demands all production material moved within or out of Heat Treat be performed by Inventory Controllers.

Settlement:

This demand is resolved without prejudice to either party on the basis that it is agreed that Heat Treat employees will only be permitted to use fork trucks as a job aid to move material within Heat Treat and will not be permitted to drive their trucks in the main aisles of the plant. It is understood that such Heat Treat trucks should not be the full time assignment of any one employee, but should be available to all employees to be used as a job aid. If a truck is needed within the heat treat area other than as a job aid, the services of an employee assigned to the "Inventory Controller" classification will be utilized.

Demand No. 257

The Union demands that no Jobsetter be required to operate a machine or displace a Machine Operator.

Settlement:

Jobsetters responsibilities have been historically recognized as including, but not limited to, installing cutting tools, adjusting guides, stops, tools, changing setups and original set up of non-complex nature. Knows feeds and speed on various materials, instructs operators where necessary, is familiar with a variety of production machines, and operates machines until quality parts are produced. Makes routine checks on operations and tooling and on occasion fills in for an absent employee. In the performance of these duties, a Jobsetter will necessarily perform machine operations, however, in no case will such utilization be made to circumvent or exclude regular employees in the classification involved from work. Abuse of this provision brought to the attention of Management will be corrected.

Demand No. 258

The Union demands that Tape and Numerically Controlled Machine Operators, not be required to do their own setup.

Settlement:

During Local Negotiations, the Union expressed concern that employees classified as N/C Operators were being used exclusively to setup their own machines. While the parties agree the primary responsibility of a Jobsetter is to setup these machines, the parties discussed the possibility that some Jobsetters may lack proper training to accomplish this responsibility. Therefore, it is agreed a training program will be instituted to properly train Jobsetters to setup these machines.

Demand No. 259

No Machine Operator will be allowed to perform set up work.

Settlement:

This demand is resolved on the basis that operators will not be required to function as Jobsetters for other employees, except as herein provided: The employee will be classified in accordance with the applicable agreement, or in the event of a temporary requirement, will be appropriately compensated for the duration of such temporary assignment.

Demand No. 260

The Union demands that Experimental Aircraft Engine Test Mechanics will operate all gearbox test stands and keep the log at all time at Plant #8.

Settlement:

This demand is resolved on the basis that Experimental Aircraft Engine Test Mechanics will be trained to operate all Gearbox Test Stands when such stands are operated on endurance. The parties understand that E.A.E.T.M. will install and remove the gearbox to be tested, operate the Gearbox Stand and maintain the log when the test begins the endurance mode. Further, the parties understand that this settlement applies to all gearboxes being tested.

Demand No. 261

The Union demands that an in-depth detailed job description of the Inventory Controller classification be written.

Settlement:

It is not Management's intent to circumvent the Inventory Controllers' classification with salary or supervisory employees at Plant #5. Furthermore, the expediting portion of the Plant #8 Material Control Analyst function that is shop related will be assigned to the Inventory Controller classification in Plant #8.

Demand No. 262

The Union demands that Local Demand Settlement No. 261, be updated with an explanation of the word expediting, the salary Material Control Analyst are now doing what we consider Bargaining Unit work by following the progress of parts through the shop, which was always Bargaining Unit work.

Settlement:

This demand is resolved on the basis that the parties agree to have Plant 8 Inventory Controllers follow all priority 4 and 5 parts daily, and notify the proper supervisor whenever such a part enters their department.

Demand No. 263

The Union demands that Crib No. 16 be manned by a full time Crib Attendant.

Settlement:

Under current operating conditions all cutting tools will be placed in the Tool Crib. It is recognized that a normal daily operating float will be maintained in the department to insure an effective and efficient utilization of machines.

Demand No. 264

The Union demands that Management put all Gage, Fixtures and tools supplies in the Tool Crib for job classification, Crib Attendant to do.

Settlement:

This demand resolved on the basis that perishable tooling (such as inserts, drills, cutting tools, seats, etc.) currently maintained in departmental storage areas greater than a normal daily operating float will be returned to the tool cribs for storage.

Demand No. 265

The Union demands that the following employees holding certification as required by the Government in classifications listed under Transfer Agreement Section Paragraph "G" of the 1993 Local Agreement be awarded a pay increase of \$2.00 per hour and receive classification upgrade to Skilled Trades:

- Inspector Magnetic & Fluorescent - 294B01
- Inspector Process X-Ray - 311B01
- Inspector Non Destructive Testing - 295B01
- Inspector Immersion Ultrasonic - 290B01

Settlement:

The following wage progression shall be initiated for employees starting in these classifications:

- Inspector Magnetic & Fluorescent - 294B01
- Inspector Process X-Ray - 311B01
- Inspector Non Destructive Testing - 295B01
- Inspector Immersion Ultrasonic - 290B01

1. Inspector Magnetic & Fluorescent - 294B01

Employees shall start at the base rate of the classification in accordance with their wage rate progression.

Within 90 days of placement, employees shall be administered the Level 2 test for Magnetic and Fluorescent Inspection. After passing the test, the employee shall receive a \$.50 an hour bonus.

After successfully passing the Level 2 requirements in Nital Etch Inspection and Nital Etch, the employee shall receive a \$.25 an hour bonus.

2. Inspector Process X-Ray - 311B01

Employees shall start at the base rate of the classification in accordance with their wage rate progression.

Within 90 days of placement, employees shall be administered the Level 1 test for Radiography. After passing the test, the employee shall receive a \$.50 an hour bonus.

After successfully passing the Level 2 requirements for Radiography, the employee shall receive a \$.25 an hour bonus.

3. Inspector Non Destructive Testing - 295B01

Employees shall start at the base rate of the classification in accordance with their wage rate progression.

Within 90 days of placement, employees shall be administered the Level 2 test for Magnetic and Fluorescent Inspection. After passing the test, the employee shall receive a \$.50 an hour bonus.

After successfully passing the Level 2 requirements Radiography, the employee shall receive a \$.25 an hour bonus.

4. Inspector Immersion Ultrasonic - 290B01

Employees shall start at the base rate of the classification in accordance with their wage rate progression.

Within 90 days of placement, employees shall be administered the Level 1 test for Immersion Ultrasonic Inspection. After passing the test, the employee shall receive a \$.50 an hour bonus.

After successfully passing the Level 2 requirements in Immersion Ultrasonic Inspection and Eddy Current Inspection, the employee shall receive a \$.25 an hour bonus.

Employees classified in one of the above classifications and holding the appropriate certifications as described above at the time of agreement ratification will receive the appropriate bonuses.

Demand No. 266

The Union demands regular Maintenance and Calibration schedules for New Britain & Cincinnati Tape Lathes for Turbine Wheel department 1551.

Settlement:

Management agrees to investigate the installation of a preventive maintenance system to service department 1551 on New Britain and Cincinnati Tape Lathes.

Demand No. 267

The Union demands the Tool Crib Attendant and Janitor be returned to the Bargaining Unit at Evansville.

Settlement:

This demand is resolved on the basis that an Employee classified as Attendant Tool Stores will be placed within the Evansville operation. The placement of an Employee in the janitor classification within the Evansville facility is contingent upon the assignment of a competitive rate to the Janitor classification.

Demand No. 268

The Union demands that Skilled Tradesmen working in Central Tool Machine Repair Crib be replaced by Attendant Tool Stores.

Settlement:

Stock items handled by General Stores will not be purchased or stocked in the Central Machine Repair Crib.

Demand No. 269

All Tractor-Trailer driving must be performed by the Truck Driver. Outside Tractor-Trailer classification. Procedure for breakdowns and lay overs will be established.

Settlement:

This demand is resolved on the basis the parties recognize that the operation of tractor-trailer equipment is the normal and regular assignment of employees classified Truck Driver, Outside Tractor-Trailer. The parties recognize that unusual conditions arise requiring the supplementation of other personnel due to the individual circumstances involved, such as transporting of machinery to locations unable to handle the loading or unloading. Such assignments although rarely anticipated will be made in line with the Local Wage Agreement.

An employee whose job assignment involves travel and expense during the performance of such assignment will be paid straight time hours as though he were in the plant. Overtime for driving assignments or time requiring his attendance (loading and unloading) will be paid at the proper overtime rate. Necessary expenses, including meals while on the road and lodging for required rest or during layover, resulting from such assignments, will be paid.

Demand No. 270

The Union demands that all parts hauled away from or to the Rolls-Royce Allison, be done by employees classified Truck Driver, Outside-Tractor Trailer.

Settlement:

Assignments necessitating the use of an Rolls-Royce Allison Material Control Truck for pick up or delivery, will be performed by Truck Driver, Outside-Tractor Trailer.

Demand No. 271

The Union demands that all production truck driving be confined to the Inventory Controller classification.

Settlement:

All production truck driving will be performed by employees classified as Inventory Controller. In those limited areas, namely 2, (Heat Treat and General Stores) these employees may use trucks as a job aid to move material within the above departments only. This in no way will be used by Management to circumvent or eliminate an Inventory Controller in Heat Treat Departments. In the administration of filling in for absentees or vacations, it is understood the use of other employees shall not exceed a period of (5) five days. If the opening is filled, it will be filled under the appropriate Agreement.

Demand No. 272

The Union demands that uniforms and driving gloves be furnished to the Truck Driver, Outside Tractor Trailer, by the company.

Settlement:

Will furnish three (3) pairs of driving gloves per year.

Demand No. 273

The Union demands that all materials outside of Rolls-Royce Allison property, be picked up and delivered by Truck Driver, Outside Tractor Trailer classification.

Settlement:

This demand is resolved without prejudice to either party the basis that it is a primary responsibility of employees assigned to the "Truck Driver, Outside-Tractor Trailer" classification to pick up and deliver material at the Indianapolis airport. These employees are also regularly assigned to make pick ups and deliveries between local plants or at outside points involving travel over highways and streets as long as Rolls-Royce Allison is responsible for the pick up or delivery.

Demand No. 274

The Union demands that meal allowance for Truck Driver, Outside Tractor Trailer, be increased to:

Breakfast	\$ 5.00
Lunch	\$7.00
Dinner	\$10.00
Midnight Snack	\$6.00

Settlement:

This demand resolved on the basis that when conditions are such that warrant the allocation of meal allowance monies to an employee classified Truck Driver Outside, Tractor Trailer; the specified amounts for the appropriate meals will be as follows:

Breakfast	\$ 5.00
Lunch	\$6.00
Dinner	\$10.00
Midnight Snack	\$4.00

Demand No. 275

The Union demands the Truck Driver, Outside Tractor/Trailer employees be given a fall Rolls-Royce Allison jacket and a Rolls-Royce Allison winter coat.

Settlement:

This demand is resolved on the basis that each Truck Driver, Outside Tractor and Trailer be provided one summer jacket and one winter coat with the Rolls-Royce Allison logo from the Rolls-Royce Allison Company Store.

Demand No. 276

The Union demands that Management furnish citizens band (CB) radios for Tractor Trailer Drivers.

Settlement:

Management will furnish CB radios in the three remaining trucks used by Truck Driver, Outside Tractor/Trailer.

Demand No. 277

The Union demands that Management furnish AM/FM radios for trucks assigned to Tractor Trailer Outside classification.

Settlement:

Management will furnish AM/FM radios in the pickup, flatbed and box van used by Truck Driver, Outside Tractor/Trailer.

Demand No. 278

Maintenance and Machine Repair employees on jobs away from their respective shops must be allowed to leave their work area 15 minutes prior to the end of their shift, to return tools to the crib, make out time tickets and clean up.

Settlement:

Employees whose assignments involve work away from their respective department will be scheduled in such a manner as to allow necessary time for the purposes of returning tools and equipment to the departmental area at the close of the shift.

Demand No. 279

The Union demands that E.I.T. be provided tools that will be charged by the department being serviced.

Settlement:

This demand is resolved on the basis that if an E.I.T. employee needs a specialized tool (i.e. other than basic hand tools) to perform their job and it is available in a crib, that employee will be allowed to requisition that tool from the crib.

Demand No. 280

The Union demands that all employees in department #0528 report to one superintendent.

Settlement:

Employee grievances initiated by Department #0528 employees who report to supervisors in Department #0535 will be handled by the respective supervisors involved. Thereafter, when issues require the input of the superintendents of both Department #0528 and #0535, they will either both be present at the 1B step of the grievance procedure or the superintendent handling the 1B step of the grievance procedure will have previously secured the necessary input from the other superintendent.

Demand No. 281

The Union demands all lighting be reinstalled in the Plant, where it has been removed or neglected.

Settlement:

Situations brought to the attention of Management where lights are not operating will receive prompt remedial action.

Demand No. 282

The Union demands that all Rotor-Clones be put on a preventive maintenance on a weekly basis and if they malfunction in between maintenance checks, they be shut down until fixed.

Settlement:

Under current operating conditions, wet Roto-Clones are on a preventive maintenance schedule of once every two (2) months. Additionally, certain specified units are inspected more frequently, based on historical performance. Supervision will be instructed that should conditions warrant, a malfunctioning Roto-Clone will be shut down until repaired.

Demand No. 283

The Union demands that Management stop hiring Journeymen skilled trades from the street.

Settlement:

Management intends to fill Skilled Trades vacancies from a variety of sources, including Employees-in-Training, Apprentices and Journeymen/women. The extent to which any specific source is utilized will depend upon the need for various skills in the Skilled Trades workforce, the amount and timing of project and development work, and the availability of fully qualified Journeymen to train trainees for either the Apprentice or EIT program. Management intends to fully utilize the Rolls-Royce Allison/UAW Apprentice Program and the Employee-In-Training Program as the primary source of future Skilled Trades Journeypersons at this division.

Demand No. 284

The Union demands that all "J" dates be typed on kardex records.

Settlement:

Skilled trades status dates will be recorded on the Kardex Record in a manner whereby changes can be traced.

Demand No. 285

The Union demands that all job openings be posted in advance.

Settlement:

Management will study its future skilled trades needs and post on the bulletin boards a list of jobs for which a shortage of Journeypersons is anticipated. The notice in question will be posted in accordance with the provisions of Paragraph (152) of the National Agreement at least one (1) month prior to the date upon which it is anticipated that interviews will be conducted to fill the vacancies in question. Employees working in the plants will be permitted to file applications for placement as Employees-In-Training in the Skilled Trades classifications listing their qualifications for such jobs. In order to be considered the employee must have submitted his or her application at least two (2) weeks prior to the date upon which the interview is to be conducted.

Demand No. 286

The Union demands that when a service representative is brought into Rolls-Royce Allison Plants to service machines or tooling or equipment of any type, the proper Skilled Tradesperson

will be assigned to work with the service representative for training to be able to service the equipment in the future.

Settlement:

Management recognizes the desirability of assigning the appropriate Bargaining Unit trade with service representatives of suppliers for training purposes. Such assignments are made to the extent practical under the attendant circumstances and conditions at the time.

Demand No. 287

The Union demands that all Test Control rooms be air conditioned.

Settlement:

Air conditioning will be provided in the test cell control rooms located between the following test cells at Plant #5.

109-111

116-118

117-119

121-123

141-143

144-146

145-147

148-150

149-151

This will be accomplished within 120 days after receipt of notice of written ratification of the 1976 local negotiations.

Demand No. 288

The Union demands repair cooling towers at north end of plant 8, so that the chemical laden water doesn't ruin the paint of employees' vehicles.

Settlement:

A new cooling tower will be installed at plant 8 and shall be operational in 1997.

Demand No. 289

The Union demands outside service representatives should be met in front lobby by tradesman that is assigned to particular job and escorted by tradesman to the job site. Service Representatives should not be allowed to bring any tools in the manufacturing plant.

Settlement:

This demand is resolved on the basis that Management will implement a new procedure where specific Plant Engineering, Engineering and Quality Engineering personnel will be designated in Plant 5 and Plant 8 to evaluate the vendor services being requested and to coordinate appropriate

trades as required through the trades supervisors. When a date is established for arrival of the service technician, the Floor Service Engineer, Engineering Coordinator or Quality Representative will alert the appropriate Manufacturing Services/Plant Engineering or Quality Supervisor who will coordinate the specific activities of the service representative and who will assign appropriate support in accordance with Local Demand Settlement No. 286.

Demand No. 290

The Union demands Rolls-Royce Allison provide air and electric service in all work stations on the assembly floor dropped from the overhead.

Settlement:

Management will install overhead air and electrical drops on the Plant #8 north assembly floor in areas where needed and practical.

Demand No. 291

The Union demands that the Laser Cart, which weighs 800 + pounds in Department #0531, have a truck available for the Laser Cart so it can be specifically used to pull the cart when it is necessary for it to be moved.

Settlement:

This demand is resolved on the basis that Management will provide Department 0531 employees with an electric scooter capable of transporting their large Laser Carts.

Demand No. 292

The Union demands that an application and selection procedure be negotiated for a proper manpower level of Asbestos Abatement Workers. The Union further demands that an overtime policy be negotiated that does not penalize a Tradesperson for volunteering for this work. Finally, Management must make a commitment to do all abatements in line with current regulations.

Settlement:

Employees in departments 0521, 0528, 0821 and 0828 will be surveyed for volunteers to be trained and certified as asbestos abatement workers. The number of employees certified will be mutually determined to meet the needs of the business. Employees will be selected by seniority.

Demand No. 293

The Union demands the AC department operator be issued a gas or electric scooter for better faster service to the test cell problems that arise.

Settlement:

One transporter will be procured for AC employees.

Demand No. 294

The Union demands that Management provide a set of prints for all Stace-Allen chucks now used at Rolls-Royce Allison. Plants #5 and #8, so all work aids can be constructed.

Settlement:

Management shall provide the parts list and service manuals on models of Stace-Allen chucks in use at Rolls-Royce Allison as requested.

Demand No. 295

The Union demands that a laptop computer, with adequate storage and speed, be placed in each zone crib. This will allow the tradesperson to load and download as well as trouble-shoot the CNC and PLS machines.

Settlement:

Management will purchase three laptop computers and place in the appropriate zones.

Demand No. 296

The Union demands that Management either rewire to bring cut-off mains to areas they serve or/and yellow paint and girder beam annotation 10 feet up the way pointing down to breaker boxes. Post (at a minimum) employee maps to show what is what and where it is located.

Settlement:

Management agrees to have engineering and proper trades review and implement necessary improvements at SCO.

Demand No. 297

The Union demands that Management give each Experimental Engine Test Mechanic his company supplied tool box and tools, free and clear.

Settlement:

Current active employees transitioned from a production classification to the apprentice classification of Experimental Aircraft Engine Test Mechanic in departments 0873 and 0874 shall be considered for the following:

Based on a tool inventory list dated 3-27-84, affected employees shall have the tools on this list transitioned to them that they have in their possession. This includes the tool box. It is understood that this demand settlement will not be the basis of replacing any tools the employees do not have. This is simply a transfer of tooling on hand from the inventory list.

Tax considerations will be investigated by Management and employees will be informed of any impact prior to them accepting the tools.

Demand No. 298

The Union demands for Maintenance Department 0828, one gas powered flatbed truck and three service carts gas powered. With the construction work and service work in all the out buildings plus the looking for materials, the travel time is very costly to the company.

Settlement:

One additional powered cart will be purchased similar to the one purchased in the summer of 1996.

Demand No. 299

The Union demands that the Millwrights shop on the DPC dock either be expanded or moved.

Settlement:

Management will make the obsolete tooling crib located next to the Millwright shop available for the Millwrights.

Demand No. 300

The Union demands that Management install a hoist capable of lifting the Rotary Table in a safe manner.

Settlement:

Management will determine the appropriate hoist to install in department 1530, Tool Room.

Demand No. 301

The Union demands that Management take appropriate steps to modernize the plating facilities. This modernization must include replacement of equipment and update of facilities which will

address the sourcing, new technology, health and safety, and environmental problems. This must be done in a manner that will insure that all plating processes will be kept in house.

Settlement:

This demand is resolved on the following basis. With regard to Rolls-Royce Allison's plating modernization effort, the detail design process is ongoing. Until environmental problems are resolved between the new owners and General Motors Corporation, all GM Capital Funding of this project has been placed on hold. Should management proceed with the plating modernization project at a later date, any sourcing issues that arise will be subject to normal agreement provisions in effect at that time. During these negotiations, Management agreed to insource platinum-aluminide plating processes within the existing plating operation. This insourcing is independent of the plating modernization project.

Demand No. 302

The Union demands that the NC Controlled machines be programmed by Bargaining Unit employees.

Settlement:

Effective six (6) months after ratification of the Local Agreement the entering of data relative to making non-predetermined complex layouts on finished and in-process parts and castings as well as required machine movements, gaging parameters and inspection routines into computerized coordinate measurement machines located in Factory of the Future Cells for subsequent inspection by cell operators will be performed by Inspector, Parts employees.

Demand No. 303

The Union demands that all bicycle service and repair work be done only by Auto, Truck & Trailer Repair Mechanic.

Settlement:

This demand is resolved on the basis that bicycle repair will be performed by the classification Auto, Truck & Trailer Repair. It is understood by the parties that simple repairs of the kind as replacing chains which have slipped off but not broken, straightening handle bars, will be made by persons using the bicycles.

Demand No. 304

The Union demands that the Lines of Demarcation be negotiated for Crib Attendants and Millwrights moving bins and shelving in the crib.

Settlement:

The moving of bins and shelving from one crib or location to another crib or location belongs to the Millwright classification. The moving or rearranging of bins or shelving within the crib belongs to the crib attendant classification. The Millwright classification will be used within the crib when the bins cannot be moved safely by hand.

Demand No. 305

The Union demands that a Journeyman Hardener, Tool & Die be placed at Plant #5 on a full time basis.

Settlement:

This demand is resolved on the basis that a Journeyman Hardener will be placed in the Plant 5 Tool Room.

Demand No. 306

The Union demands all lights be turned on and off by the Electrical classification.

Settlement:

In the shutting down and start up of operations for weekends and holidays, the turning off and on of lights in those areas under dispute will remain the primary job of employees in those classifications previously charged with that responsibility.

Demand No. 307

The Union demands that all fencing be installed and maintained by the Millwright classification.

Settlement:

The maintenance and installation of fencing will be performed by the Millwright classification. It is understood by the parties that this understanding does not circumvent the applicable provisions of the National Agreement.

Demand No. 308

The Union demands that all moving of all furniture and all office equipment be performed by the classification of Millwright.

Settlement:

This demand resolved on the basis that office furniture will be moved by the Millwright classification.

Demand No. 309

The Union demands that hanging of all hoists, adjustment and hanging of nut runner balancers be assigned to the Millwrights classification.

Settlement:

The hanging of hoists as it is performed in other areas of the plant is the proper assignment of the Millwright trade. The changing and adjustment of gang type nut runners and balancers attached thereto is the assignment of the proper Maintenance trade. The changing and adjustment of balancers which require no special tools, equipment or skills remains as a production task.

Demand No. 310

The Union demands that all tower water pumps and tower water sump pumps be given back to the Pipefitters for repair and removal.

Settlement:

The process water return pumps located in Plating and Heat Treat rooms will be maintained by the Pipefitter classification.

Demand No. 311

The Union demands that the Pipefitter trade do all the plumbing work in the Fuel farms water waste plants and the steam traps as agreed in past settlements.

Settlement:

All steam traps outside the confines of the Powerhouse except steam traps which drain condensate from air conditioning unit steam coils will be maintained by the Pipefitter classification.

Demand No. 312

The Union demands that an updated job description be negotiated for the classification Auto, Truck and Trailer Repair.

Settlement:

The parties agree that the repair of electric and gas powered wheeled vehicles shall be performed by employees assigned to the Auto, Truck and Trailer Repair Mechanic classification. The repair of the battery charger within the electric vehicle shall continue to be performed by employees assigned to the Electrician classification.

Demand No. 313

The Union demands all Fixtures and Gages be checked by the proper skilled classification, before being sent to the floor.

Settlement:

Under current operating conditions, proper skilled classifications will continue to have an input into whether first piece part acceptance constitutes satisfactory verification of all fixtures. It is also recognized that under current operating conditions the present practice of 100% verification of gages will continue.

Demand No. 314

The Union demands that gages and fixtures being sent from Plant #5 to the Plant #8 tool room for rework, be checked by department #0531 employees classified Inspector, Tool Die & Fixture.

Settlement:

This demand is resolved without prejudice on the basis that under existing conditions, the employees classified as "Inspector, Tool, Die, Fixture & Gage" in department #0831 will be placed in department #0531 and a department #0531 satellite crib manned by the classification "Inspector, Tool, Die, Fixture & Gage" will be established in Plant #8 to inspect Tools, Gages and Fixtures being reworked, rebuilt or maintained in the Plant #8 Tool Room. Should conditions change, this issue will be subject to further discussion between the parties. This settlement is not intended to change the practices with respect to which jobs are to be inspected.

Demand No. 315

The Union demands that the replacement of bulbs in comparators and the calibration of comparators in the Rolls-Royce Allison will be assigned to the Instrument Repair Mechanical classification.

Settlement:

This demand is resolved on the basis that the replacement of "screw-in" type comparator bulbs will be considered the normal assignment of employees classified Instrument Repair-Mechanical. Mechanical calibration and adjustment of instruments will continue to be the assignment of the Instrument Repair Mechanical classification. The replacement of comparator bulbs involving high voltage and power packs, as well as the adjustment and replacement of electrical components will be assigned to the Instrument Repair-Electrical classification.

Demand No. 316

The Union demands that all "T" tooling, now being inspected by Department #0819, Parts Inspectors; be inspected by the classification of Tool, Die, Fixture & Gage Inspector.

Settlement:

This demand is resolved on the basis that any "T" tooling now being inspected by 0819 Parts Inspectors will be inspected in the future by the classification of Inspector Tool, Die, Fixture & Gage. Any parts issued on "T" prints will continue to be inspected by Inspector, Parts.

Demand No. 317

The Union demands the reason or reasons for denial of a merit increase for a skilled trades employee will be explained by supervision when an explanation is requested by the employee.

Settlement:

The matter of approval or denial of a merit increase is properly the subject of discussion between an employee and his supervisor; if an employee is granted an increase and advised of the effective date it will be effective as stated. If the requested increase is denied, the employee shall be advised by his supervisor of the reason for the denial.

Demand No. 318

The Union demands that Rolls-Royce Allison Electricians be assigned to work on the computer systems in the cell areas and any other computer systems used along with machine control systems. (E.D.S.)

Settlement:

This demand is resolved on the basis that all maintenance machine control systems and peripheral equipment (including control hardware that also runs other programs) used to control machines which manufacture and inspect Rolls-Royce Allison products will be done by bargaining unit employees. Any situations that exist that cannot be specifically defined, will be resolved by a team of bargaining unit and management representatives.

Demand No. 319

The Union demands that a seam welder be purchased for Department 0881.

Settlement:

This demand is resolved on the basis that prior to the Plant 8 Model Shop sending seam welding work to an outside source, the feasibility of performing the work on seam welders located at Plant 5 will be evaluated by the Competitive Edge Group. The Parties understand that the

competitiveness of performing such work as well as the impact on Plant 5 production schedules will be considered in such instances.

Demand No. 320

The Union demands that the classification Electrician install and repair the Rolls-Royce Allison telephone system.

Settlement:

During the discussion of this demand, Management stated that there were currently plans within Rolls-Royce Allison extensively revise the telephone systems. The parties agree that when these systems are implemented, the subject of who installs and maintains the system will be subject to further discussion between the parties for resolution of the issues involved.

Demand No. 321

The Union demands that salaried employees at Plant #8 stop making up thermocouples.

Settlement:

Standard design, test cell thermocouple jumper leads will be fabricated by bargaining unit employees. Modification of "T" number jumper leads during installation and use will remain non-bargaining work.

Demand No. 322

The Union demands that Department Supervisors and Jobsetters stop circumventing Tool & Die Maker work by getting the tool prints and taking them to the Toolroom to get the work done. This work to be done only by the Tool & Die Maker classification.

Settlement:

The general Job Requirements of the Tool & Die Maker classification are: Makes complex non-repetitive setups on a variety of machine tools to machine first run production parts. Locates and corrects tool trouble and routing errors. Positions, aligns, and adjusts a variety of locating fixtures, dies, jigs, etc., in accordance with prescribed specifications. Operates a wide variety of machine tools, analysis tool trouble, improvises setup changes and recommends routing changes until parts are produced which meet quality requirements. Adjusts, repairs, and reworks tooling, sharpens cutting tools, etc. as required. Uses a variety of general hand tools and precision measuring instruments. Works from blue prints, tool layouts, routings, verbal and written instructions. These job requirements describe the duties of the classification in general terms only. The requirements do not necessarily include all of the duties of the classification, nor do the employees in the classification necessarily perform all of the duties described. Tool Engineers will be advised that the foregoing is properly Bargaining Unit work.

Demand No. 323

The Union demands that the 0827 Materials Lab machine shop contract labor people and salary be replaced at once with Bargaining Unit people.

Settlement:

The parties agree that when complete sets of test hardware are to be produced in the Research Lab Machine Shop or the Material's Lab Machine Shop mutually selected bargaining unit employees assigned to the "Tool and Die Maker" classifications will be borrowed into these shops to work with the Salaried Technicians in the design and fabrication of such hardware. It is understood that these employees may be responsible for all operations required to complete test hardware whether such operations are completed within the shops in question or in the Model Shop. Parts for production or development engines and fixtures to produce these parts will not be fabricated in these shops.

Demand No. 324

The Union demands that a Tool & Die Maker be placed in the Met. Lab.

Settlement:

This demand focuses on union requests to transition certain work historically performed by salaried employees to bargaining unit employees. This demand is resolved on the basis that management and the Union will jointly implement the terms of Local Demand Settlement No. 323. In so doing, within 30 days of notification of ratification of the 1997 Allison/UAW Local agreement, a team of management and the union will establish the guidelines for determining what constitutes complete sets of test hardware, and a procedure by which the union is notified that a need exists to borrow a tool and die maker. Additionally, the parties will agree as to where the tool and die maker is drawn from when work requiring their skills is needed by the Research or Materials Lab.

If, after having gone through this process, the parties feel that the spirit of Local Demand Settlement No. 323 is not being adhered to, a jointly selected Tool and Die Maker will be assigned to evaluate the work associated with complete sets of test hardware for a maximum 30 day period.

Demand No. 325

The Union demands all Zyglon in department #0874 at Plant #8 be performed by Bargaining Unit employees.

Settlement:

This demand is resolved on the basis that the preparation of parts for Mag and Zyglo evaluation in the Engineering Test Assembly area will be assigned to employees classified as "Inspector, Magnetic and Fluorescent." It is agreed that these employees will be trained to perform selected engineering Mag and Zyglo evaluations.

Demand No. 326

The Union demands "D" facility at Plant #8 be operated by Bargaining Unit employees instead of Salary Technicians.

Settlement:

This demand is resolved on the basis that removal, installation, and repair of the workhorse engines in Facility "D" will be assigned to the Experimental Aircraft Engine Test Mechanics.

Demand No. 327

The Union demands that all measurement work and alignment of test stands or fixtures now being done by salary Test Stand Technicians be stopped and this work be assigned to the proper Bargaining Unit classification.

Settlement:

This demand is resolved on the basis that the alignment of test equipment, gearboxes and dynamometers will be assigned to proper Bargaining Unit employees.

Demand No. 328

The Union demands that the requirement of A & P license for Assembler, Final Aircraft and Test Mechanic, be rescinded.

Settlement:

This demand is resolved on the basis that the license requirement will be reduced to Powerplant Mechanic only, rather than the full "A & P" as before. This requirement will be included in the Apprentice Training Program for the newly created "Experimental Aircraft Engine Test Mechanic" classification.

Demand No. 329

The Union demands that all work in all Test Cells that is normally related to skilled trades or is of a skilled trades nature, be performed by the proper skilled trades classification.

Settlement:

This demand is resolved without prejudice to either parties' position on the basis that certain job responsibilities historically performed by represented employees have been altered by the installation of solid state programmable logic controller equipment. The following will also be considered as falling within the scope of the Bargaining Unit.

1. The installation, electrical maintenance and repair of programmable logic controllers that receive the electrical signal from the ACES control unit, i.e. functionally the same as the Gould Model 884 and 484.
2. The loading of controller programs designed by Management on an existing test stand programmable logic controller.
3. The use of a portable programming panel for the purpose of troubleshooting and altering of existing test stand control logic in a programmable logic controller consistent with Management supplied program designs.

It is further agreed that this Settlement does not alter the engineering design responsibility where the programming controller is needed for this function. In this regard, alteration that can be practically designed by the engineer by use of the existing ladder diagram will be input through the portable programming panel by the appropriate represented employee. It is further understood that in the performance of the above, direction and data may be furnished to such represented employees as in the past. It is also understood that alteration of existing logic should not be initiated by the Bargaining Unit employee without the direction and/or approval of Management.

Demand No. 330

The Union demands that the job and duties presently being performed by Plant #8 salary electronic technicians, be reassigned to the hourly Instrument Repair Electrical; as these jobs should be Bargaining Unit work and not salary work.

Settlement:

This demand is resolved on the basis that Test Management agrees to transfer the two (2) Instrument Repair Electrical employees currently assigned to Department 0828 into the Test Department. Further, Management agrees to provide more suitable facilities in the Test Department area to house the two (2) Instrument Repair Electrical employees. Management also agrees to add C/H 8400 and C/H 192 vibration equipment, single function test stand temperature indicators and single function facility overtemperature monitors at Plant 8. The parties agree to jointly pursue ways of utilizing the Instrument Repair Electrical employees during periods of overtime.

Demand No. 331

The Union demands that the Machine & Equipment in gear Department 0854 at Plant #8, be rebuilt or new equipment be bought.

Settlement:

Granted.

Demand No. 332

The Union demands that the proper sewer equipment be bought for Plants #5 and #8.

Settlement:

This demand is resolved on the basis that additional sewer equipment will be purchased at Plants #5 and #8 on an as needed basis to perform work traditionally associated with sewer cleaning.

Demand No. 333

The Union demands that employees be given (24) hours notice prior to any transfer, shift, classifications, department, or plant. Also tool boxes be transported from one plant to another when requested by the employees.

Settlement:

Whenever an employee is permanently transferred, Management will whenever practical, give 24 hours notice prior to transferring employees. In cases where the employee is transferred from one plant to another and his personal tool box is too heavy for him to personally move, he may request to have it transported. If he so requests, he will sign a waiver of indemnification releasing Management from any liability arising from the employees choice to have his personal property transported between plants. Failing to sign the waiver, the employee will transport his own tool box.

Demand No. 334

The Union demands that Rolls-Royce Allison have a tool crib installed and manned full time by a Tool Crib Attendant for department 0874 assembly.

Settlement:

The operation of the stacker on the assembly floor in department 0874 is bargaining unit work.

Demand No. 335

The Union demands that Rolls-Royce Allison be required to assign all Engine Test and builds to department 0874 and 0873 unless the engine or component has been certified by FAA or has received military final acceptance.

Settlement:

The parties discussed the proper assignment of engine assembly and engine test work at length during the negotiations. Each engine program has unique requirements necessitating flexibility with the use of engineering, assembly and test and facility resources. To assure the most efficient utilization of these resources, Management, Labor Relations and the appropriate Shop Committee members will review such requirements and determine the best course of action for each engine program. Such reviews will include issues of where engines will be assembled and tested and the appropriate classification of employees to be assigned to the work. Additionally, impact on overtime shall be considered and the plans will address these issues.

Demand No 336

The Union demands that the boxed parts shipped from SCO have the word Rolls-Royce Allison or Rolls-Royce Allison Logo made by UAW members and ISO 9001.

Settlement:

Management agrees to provide the appropriate Rolls-Royce Allison/UAW logo decals to mark the outside of boxes for non-inter company shipments of parts.

Demand No. 337

The Union demands that EIT SCO employees, be put in the system so they can get in the SCO plant.

Settlement:

Management agrees to provide security codes and access to the SCO facility to all Experimental Single Crystal Developer employees upon assignment at SCO.

Demand No. 338

The Union demands that the Manufacturing part of SCO be air conditioned.

Settlement:

Management will determine the requirements to air condition the manufacturing area of SCO and install air conditioning. In addition, isolate the heat, as much as practical, from the burnout furnace.

Demand No. 339

The Union demands better ventilation for cut-off machines dip room, better way to hold molds too much weigh to hold and spin at the same time at SCO.

Settlement:

Cut-off machine and mold room ventilation solutions will be implemented. An administrative solution is in place for the weight of the mold, with a long term solution being developed as the result of Ergonomics' case #1350.

Demand No. 340

The Union demands it be able to change acid on etch line without carrying acid up or down stairs.

Settlement:

An acid piping system will be installed on the acid etch line and shall be operational in 1997.

Demand No. 341

The Union demands Management isolate burnout furnace and keep shop comfortable to work in at SCO.

Settlement:

Management will determine the requirements to air condition the manufacturing area of SCO and install air conditioning. In addition, isolate the heat, as much as practical, from the burnout furnace.

Demand No. 342

The Union demands an in plant monitor be installed in break room. If not, put all information on monitor in hard copy form, so UAW employees know what is going on. (PSP information, etc.)

Settlement:

Management will post the weekly PSP information at SCO. In addition, Management will post hard copies of the items placed on the monitors at Plants 5 and 8 at SCO as they become available.

Demand No. 343

SCO: The Union demands seed bars to be sized and cut to 1/2 inch length in house.

Settlement:

The demands are withdrawn on the basis that as SCO is transitioned to a represented workforce, during the 90 day transition period the issue of cutting seed bars in-house will be evaluated from

a competitive standpoint and a determination will be made as to whether the cutting of such bars will continue to be purchased or brought in house.

Demand No. 344

The Union demands seniority boards at SCO.

Settlement:

Management will make seniority list available to employees at the same location overtime records are available.

Demand No. 345

The Union demands that the Rainfall Sander machines #252509, #252510, #252511, and #252512 located at SCO need to have the proper ventilation placed on them to fix the dust problem. Also, the fan in the room where these machines are located needs to be removed at once.

Settlement:

Solutions will be implemented to correct the ventilation on the Rainfall Sander machines #252509, #252510, #252511, and #252512 at SCO.

Demand No. 346

The Union demands that a shower be installed in PH-4 air conditioning Plant #8.

Settlement:

This demand is resolved on the basis that a restroom exists within 60 feet of Penthouse 4 that includes a shower. This shower area will be cleaned by Maintenance at least two times per week and is available to Air Conditioning employees for their use.

Demand No. 347

The Union demands that the classification of Stationary Engineer perform no maintenance work outside the four walls of the Powerhouse.

Settlement:

Under present operating conditions, this demand is resolved on the basis that Powerhouse Stationary Engineer will not maintain anything outside the Powerhouse except electrical sub stations, cooling towers and Powerhouse equipment in utility monitors such as are now located in the East Bldg. at Plant #5.

Demand No. 348

The Union demands that the Plant #5 Powerhouse, the Switch Gear, Fireman and Basement Operations be assigned equally between employees.

Settlement:

This demand resolved on the basis that the recent changes in employee assignments in the Plant #5 Powerhouse have helped to alleviate this condition. The assignment of employees is necessarily subject to all circumstances and conditions in effect at the time. Employees will not be purposefully assigned to undesirable job assignments on a continuing basis solely for punitive purposes. Questions concerning employees assignments for training purposes are properly directed to the appropriate Powerhouse supervision for resolution.

Demand No. 349

The Union demands that all chemicals in the plants be stored in a designated area, so marked.

Settlement:

This demand is resolved on the basis that a storage room is provided at the Plant #5 Powerhouse for the storage of caustic chemicals. Appropriate warning signs will be posted at that facility. Additionally, a deluge shower is provided. The problem described by the parties at the Plant #8 Powerhouse has been resolved.

Demand No. 350

The Union demands that Powerhouse Personnel be furnished insulated clothing and boots and anyone else required to work outside.

Settlement:

This demand is resolved on the basis that powerhouse and maintenance employees whose normal work assignment may include outside work are expected to provide their own appropriate work clothes. However, three sets of insulated coveralls will be placed in each powerhouse, in crib #7, and Plant #8 maintenance office to be used by powerhouse employees and maintenance employees when unanticipated changes in either the weather or the employee's job assignment requires that he or she work outside during inclement weather.

Demand No. 351

The Union demands that Management furnish coveralls to Powerhouse employees.

Settlement:

Management will furnish necessary protective equipment and clothing, including coveralls, as required by the individual job assignment in the Powerhouse. Arrangements will be made to provide for the collection and distribution of coveralls at Plant #5 for Department #0521 Powerhouse employees which will eliminate the condition discussed by the parties.

Demand No. 352

The Union demands that seven (7) day continuous operator employees whose schedules are normally posted, especially their days off: not be changed for any reason, (except Local Shift Preference Agreement applications).

Settlement:

This demand resolved on the basis that any problems which may arise as a result of this settlement will be referred to Labor Relations for corrective action.

Demand No. 353

The Union demands that Management cease from arbitrarily scheduling the Powerhouse Hourly Personnel days off during the week.

Settlement:

It is not Management's intent to arbitrarily schedule powerhouse employees' days off during the week. The parties agree that unanticipated schedule changes will be made only in the interest of maintaining the efficiency of operations. A sincere effort will be made to schedule powerhouse employees' days off on the weekend unless unforeseen circumstances such as attendance, unscheduled power outages, etc., make this inefficient.

Demand No. 354

The Union demands that Management abide by Local Demand Settlement No. 347, regardless of man power or job size inside the four walls of the Power House.

Settlement:

Local Demand Settlement No. 347 adequately addresses this issue. It is understood that the Powerhouse does not relinquish the right to maintain a piece of equipment, even though Maintenance trades are utilized for repair or modification of such equipment.

Demand No. 355

The Union demands that the General Maintenance work in the Powerhouse be assigned to the proper classification.

Settlement:

The work of housekeeping in the Powerhouses is primarily the responsibility of the General Maintenance classification. Under current operating conditions, additional General Maintenance employees will be assigned to the Plant #5 Powerhouse to perform such work. Additionally, it is recognized by the parties that good housekeeping requires the attention and cooperation of all employees to facilitate favorable working conditions.

Demand No. 356

The Union demands a sound proof air conditioned relief room be provided for the Powerhouses with tables, chairs, telephones, vending machines and work benches.

Settlement:

Under current operating conditions, the glass between the Supervisor's office and the area designated for Plant #5 Powerhouse employees to eat their lunch will be frosted. A sandwich vending machine and microwave oven will be included at the Plant #5 Powerhouse.

Demand No. 357

The Union demands that a Union Bulletin Board be placed in the Powerhouse in Plant #8.

Settlement:

This demand is resolved on the basis that a Union Bulletin Board will be placed in the Powerhouse at Plant #8 and also in the TF-41 Assembly Area.

Demand No. 358

The Union demands that all employees in the powerhouse report to one Supervisor per shift.

Settlement:

This demand is resolved on the basis that powerhouse employees will report to only one supervisor at a time.

Demand No. 359

The Union demands that an air conditioned sound proof work center, be installed in the Power House.

Settlement:

An air conditioned sound proof center has been provided in the Plant #5 Powerhouse.

Demand No. 360

The Union demands that three classified Stationary Engineer Powerhouse employees be assigned on each shift, in each Powerhouse at all times.

Settlement:

Powerhouse schedules are determined based on the circumstances anticipated at the time. Assignments will be made consistent with recognized safety practices.

Demand No. 361

All steam traps which are changed or maintained, be performed by the Pipefitting classification.

Settlement:

Steam traps within the confines of the plant (outside of powerhouse) will be maintained by the proper maintenance Skilled Trades classification.

Demand No. 362

The Union demands that more than one employee per shift be given vacation time off in the Powerhouse at the same time.

Settlement:

Management is aware of the importance of allowing as many employees to utilize vacation time off as possible during desirable periods in accordance with a realistic evaluation of manpower availability during the period in question. Arbitrary quotas will not be established, and Management will give consideration to requests pursuant to the scheduling requirements of the group. Any situations brought to the attention of Labor Relations contrary to the above, will be corrected.

Demand No. 363

The Union demands that #0521 and #0821 Air Condition employees be allowed to eat lunch in the Cafeteria.

Settlement:

This demand is resolved without prejudice to either party on the basis that employees assigned to the "Refrigeration and Air Conditioning Maintenance" classification may eat lunch in the cafeteria, with the specific understanding that the emergency surveillance needs of that group

will be maintained at all times. This settlement will not be cited or used as a basis of comparison for any other group of employees at this Company.

Demand No. 364

The Union demands that every Powerhouse employee working in and around hazardous environments, have their own personal hazardous protective equipment.

Settlement:

This demand is resolved on the basis that adequate quantities of hazardous protective equipment are provided by the Powerhouse. This equipment is either personal, disposable or laundered. Air supplied and powered respirators are thoroughly cleaned and disinfected and stored after each use in accordance with the "Respirator Maintenance Procedure". Procedures for equipment care will be posted in the cabinets.

Demand No. 365

The Union demands that each #0521-C employee receive 2 pairs of winter cover-all suits.

Settlement:

This demand is resolved on the basis that on a one time only basis, all employees holding the Refrigeration & Air Conditioning Maintenance classification at Plants 5 and 8 will be issued one pair of insulated winter-weight coveralls. Insulated coveralls will be replaced when necessary when old pair is turned in.

Demand No. 366

The Union demands that the training in the Powerhouse be improved and more schools be made available cause of equipment and technology changes.

Settlement:

An hourly training coordinator has been assigned to identify training needs for the Powerhouses at Plants 5 and 8.

Demand No. 367

The Union demands that all high voltage splicing be performed by Electricians, currently being done by Powerhouse.

Settlement:

The demand is resolved on the basis that the SEPH classification will continue to be responsible for high voltage splicing and termination work in powerhouse controlled areas. High voltage splicing and termination responsibility properly belongs to the Electrician classification in all other areas.

Demand No. 368

The Union demands that all dust collection and disposal be performed by Water Waste Operator/Maintenance classification.

Settlement:

This demand is resolved on the basis that it is the responsibility of SEPH employees assigned to the Water/Waste Plant to handle and dispose of all dust after it has been confirmed to be hazardous waste.

Demand No. 369

The Union demands that any time any new type of equipment or alarms are installed in the Company, that the Power House has to service, that all employees be informed of said equipment at time of installation and trained on how to service this equipment.

Settlement:

This demand is resolved on the basis that Powerhouse personnel will be informed of and trained on all new alarms and equipment that is their responsibility to monitor and service.

Demand No. 370

The Union demands an employee classified Water Waste Operator/Maintenance be assigned to Plant #8 on all three shifts.

Settlement:

The parties recognize that Water & Waste Treatment operations performed at Plant #8 are minimal. Under current operating conditions the analysis of Plant #8 process water supply and discharge water and plating room pump outs will be performed by Plant #5 Water Waste Operator/Maintenance.

Demand No. 371

The Union demands that the requirement for a State Certification for a Water and Waste Treatment Operator be rescinded.

Settlement:

The requirement for State Certification of Water Waste Operator/Maintenance is amended to state that employees must have successfully completed IVY Tech course number 7963 titled "Plant Operation Three Industrial" or a comparable course prior to assignment in subject classification. The applicant who satisfies the above requirements will be placed in an opening in accordance with the applicable agreements. Thereafter, employee must pass State Certification at the next scheduled State Certification test after completing one year of work in the classification.

Demand No. 372

The Union demands that seven day continuous operation employees be given shift preference the same as other classifications and their schedules not be changed after an AVO is submitted.

Settlement:

This demand is resolved on basis that seven day continuous operation employees will be given shift preference in accordance with the Local Shift Preference Agreement and the schedule will not be changed because of a shift preference move.

Demand No. 373

The Union demands that the swing shift on seven (7) day operations, be discontinued at once.

Settlement:

Employees classified Water Waste Treatment Operator/Maintenance will not be assigned to swing shifts, unless occasioned by unanticipated absenteeism.

Demand No. 374

The Union demands that Sunday be given off to all 7 day continuous operation employees before their scheduled vacation time off.

Settlement:

Seven day continuous operator employees who apply for and obtain approval for full week vacation, will have the option of taking the weekend immediately preceding and immediately following their vacation period off.

Demand No. 375

The Union demands that the Powerhouse be allowed to send their own gloves to a laundry and they be returned directly to the Powerhouse.

Settlement:

Powerhouse employees will be provided barrels labeled "Powerhouse" so that their gloves can be separated at the laundry and returned to the Powerhouse.

Demand No. 376

The Union demands the pipes be painted to code, walls, floors, ceilings and all levels painted in the powerhouse.

Settlement:

Powerhouse will be painted and will be completed as priorities permit.

Demand No. 377

The Union demands that all scooters be inspected at least once a year.

Settlement:

Management will establish an inspection requirements for scooters and schedule inspection once a year.

Demand No. 378

The Union demands the Powerhouse roof be recoated to stop leaks.

Settlement:

Management intends to repair leaks as identified.

Demand No. 379

The changing of coolant must be performed in a more timely fashion in order to eliminate the unsatisfactory working condition and health hazards that presently exist.

Settlement:

This demand was resolved on the basis that in the event a complaint arises in the matter of coolant, its usage, etc., will be investigated promptly and if a problem exists, appropriate action will be taken.

Demand No. 380

The Union demands that no chemical be used by Rolls-Royce Allison unless the manufacturer is willing to provide 100% ingredient information.

Settlement:

This demand is resolved on the basis that the present list of chemicals for which the manufacturer has not provided 100% of the ingredients will be reviewed by the Joint Local Health and Safety Committee. If other manufacturers can be used who will disclose 100% ingredients then their product will be used instead. In the future, before any chemicals can be brought into Rolls-Royce Allison without the 100% ingredients disclosed, the Joint Local Health and Safety Committee must agree to allow this to happen.

Demand No. 381

The Union demands that a copy of subject matter and attendance listing of monthly safety meetings be sent to the Joint Health and Safety Committee each month.

Settlement:

This demand is resolved on the basis that a letter will be sent to all supervision reminding them of the requirement for monthly safety talks. Compliance will be tracked monthly and the results of such tracking will be shared with the Joint Health and Safety and Safety Committee and sent to the SBU or the appropriate managers for corrective action as needed to assure compliance.

Demand No. 382

The Union demands that training in safety and lock procedures be increased and safety films and meetings be more consistent.

Settlement:

This demand is resolved on the basis that Monthly Safety talks are mandatory for all hourly employees and their supervisors. The number of employees assigned to the department, the safety meeting attendance list and the subject matter presented will be forwarded each month to the Safety Department. The Safety Department maintains a library of safety videotapes for use by supervisors. A letter will be sent to all supervisors regarding this subject and areas where problems exist will be corrected when brought to the attention of the Plant management. In addition to training provided by the Safety Department, Safety will provide Skilled Trades Management (Maintenance, Powerhouse/Water & Waste, Air Conditioning) with a list of safety training topics which must be covered at least once per year with all affected employees, which shall include lockout training.

Demand No. 383

The Union demands that due to the inherent dangers involved with electricity and steam that the work be performed with a minimum of two (2) employees for safety reasons.

Settlement:

This demand is resolved on the basis that work on electricity and steam should be assigned according to the number of people required to do the job. Safety concerns should be handled on an individual basis. If an employee has a safety concern, he/she should make the concern known to his/her Supervisor and Committeeperson. If the Supervisor and Committeeperson are unable to resolve the issue, the Safety Department should be contacted.

Demand No. 384

The Union demands Management provide written proper lock-out procedures on all new cell area machines. (i.e. electrical, hydraulics and pneumatics).

Settlement:

This demand is resolved on the basis that written lockout procedures will be provided for all FOF cells.

Demand No. 385

The Union demands they train all Pipefitters as to fire brigades, methods of operations.

Settlement:

This demand is resolved on the basis that fire brigade participation is voluntary. As such, anyone may volunteer to participate in the program pending approval by the Medical Department and the Fire Department.

Demand No. 386

(SAFETY) The Union demands that Management monitor vehicles that use gasoline and emit lead or carbon emissions that do not meet OSHA limits, be replaced with new equipment.

Settlement:

If any employee has a concern about overexposure to carbon monoxide (CO), his or her supervisor should call the Safety Department who will check the area for CO and let the employee and supervisor know the results. Equipment emitting excess fumes will be taken out of service until the problem is corrected. Any trucks rented or purchased will be electric trucks. The only exception will be trucks for Manufacturing Services, who may need more powerful equipment to move machinery. Any request for gasoline-powered trucks, rented or purchased, must be approved by the Joint Health & Safety Committee.

Demand No. 387

When any safety problems arise in the Rolls-Royce Allison, any member of the Shop Committee shall have the right to go directly to the Safety Director to discuss the problem. If the condition is not corrected, a meeting shall be set up immediately between the Shop Committee and Management with the Personnel Director present to work out a satisfactory solution to the safety problem.

Settlement:

Safety is the recognized concern of everyone; however, the responsibility for safety is necessarily that of Management. Employee and the Union are encouraged to offer suggestions in regard to safety and prompt attention will be given to complaints regarding safety matters.

Demand No. 388

The Union demands that the chip tubs used by Department 0508 be repaired when needed and not stockpiled.

Settlement:

This demand is resolved on the basis that Department 0508 chip tubs will be repaired as needed.

Demand No. 389

The Union demands that no skilled employees be forced to move their large construction carts by hand.

Settlement:

During the discussion of the safety issues associated with moving large construction carts from one job site to another or to and from maintenance areas, the parties agreed that employees will not be required to move these carts by hand under these circumstances.

Demand No. 390

The Union demands that safe equipment must be made available for use by Machine Repair/Equipment Builder and Millwrights, to work on machines of great height.

Settlement:

This demand resolved on the basis of the understanding that Management will continue to provide safe working equipment.

Demand No. 391

The Union demands that all Safety equipment will be issued without tool checks.

Settlement:

This demand resolved on the basis that Safety equipment will be issued without use of a tool check.

Demand No. 392

The Union demands a regular and continuing inspection program on all moving equipment, including power trucks, transporters, hoists hangers and cranes on a regular and periodic basis.

Settlement:

Management will continue to schedule and perform periodic safety inspections of moving plant equipment including power trucks, transporters, hoists, cranes and hangers. It is recognized that the cooperation of the employees utilizing this equipment is necessary to insure proper and safe usage. Therefore, employees assigned to operate this equipment will be re-instructed to perform surveillance checks prior to placing equipment into daily service. As long as *present* operating conditions prevail, power trucks, cranes, hoists and hangers will be subject to a quarterly inspection. If conditions are altered which affect such inspection requirements, the Union will be advised.

Demand No. 393

The Union demands that all floor grating and machine oil pans be inspected and repaired on a 90 day basis in all departments.

Settlement:

This demand is resolved on the basis that it is recognized that housekeeping is the responsibility of all employees; however, a sincere effort will be made to identify sources of oil problems by departmental supervision. When such problems are identified supervisors will submit an S.O.S. If Maintenance determines that repairs are necessary, such repairs will be instituted in a timely manner.

Demand No. 394

The Union demands that all oil coolant areas be provided barrels of floor dry.

Settlement:

Floor dry is currently available upon request from general stores.

Demand No. 395

The Union demands that a hazardous material and asbestos clean up and handling team be formed on a voluntary basis and that the members have extensive training.

Settlement:

This demand is resolved on the basis that: 1.) Asbestos clean up and handling work will continue to be performed by the classifications involved. The Safety Department provides annual training for all employees who perform asbestos clean up and handling. 2.) The existing Hazwoper Planning Team consisting of Bargaining Unit and Management representatives will set up rules and guidelines for training and selection of volunteers for a Hazardous Materials Response Team. Contractual issues that may arise will be addressed through the Shop Committee and Labor Relations.

Demand No. 396

(SAFETY) The Union demands that when an environmental test is ran in the Powerhouse, the results be posted.

Settlement:

This demand is resolved without prejudice to either parties' position on the basis that results of Asbestos identification samples and special drinking water tests in the powerhouse will be posted in a timely manner for a period of one week and then retained in a file accessible to powerhouse employees and Union representatives through the Powerhouse supervision.

Demand No. 397

The Union demands that all moving equipment including power trucks and scooters, be parked for 5 minutes prior to and 5 minutes after shift change, to prevent blocking of pedestrian aisle.

Settlement:

It is the responsibility and obligation of Management to insure that all employees (hourly & salary) who operate moving equipment to do so safely. Bargaining Unit and salaried employees have been instructed to avoid crowds, to keep away from congested areas during lunch periods and shift changes, to pull to the side and stop as required by the existing conditions and to proceed only when it is safe to do so. Employees assigned to operate such equipment will be provided instructions to comply with this settlement.

Demand No. 398

The Union demands that all moving equipment, including power trucks and scooters, be parked ten minutes prior and ten minutes after shift change and lunch periods.

Settlement:

This demand was resolved on the basis of the following: When aisles are congested with pedestrians, the vehicle operator shall apply the common sense safe practices necessary to avoid injuring anyone. When large numbers of employees are entering or leaving the plant, during lunch or at the change of shift, the vehicle operator shall stop his vehicle until it is safe to proceed. Pedestrians have the right of way at all times.

Demand No. 399

The Union demands that all furnaces and work retorts be at ground level, so the operator does not have to climb ladders while carrying parts.

Settlement:

This demand is resolved on the basis that Management will replace existing ladders with suitable stair steps adjacent to furnaces and work retorts in the Plant #8 Heat Treat Facility.

Demand No. 400

The Union demands that all sand blasting done in the large sand blast room at Plant 8 be done by the Carpenter classification. This room requires operator to wear an air fresh air supply hood and a watcher to be outside the room.

Settlement:

This demand is resolved on the basis that Management will post a safety procedure including operating instructions for employees assigned to operate the large sand blast at Plant 8. Additionally, Management will secure the sand blast room to restrict its use.

Demand No. 401

The Union demands that the sheetmetal tradesmen of Department 0881 be taught the safe handling, repair and fabrication of carbon fiber.

Settlement:

This demand is resolved on the basis that Management will provide safe handling instructions to any employee required to work with carbon fiber.

Demand No. 402

The Union demands that eye glasses be issued per prescriptions to ALL employees, with choice of frame, as requested by the employee; at no cost to the employee.

Settlement:

This demand is resolved on the basis that when employees actively at work are issued prescription safety glasses, they must be as prescribed by the employee's doctor. Prescription safety glasses will be replaced or repaired at no cost to the employee in those instances where damage is attributable to the job assignment, unless it can be specifically proven otherwise. The employee will have a choice of available frames at no cost to them.

Demand No. 403

The Union demands that no employee be required to wear safety glasses in the aisles, break areas, foreman's office or any other place where machining work is not being performed.

Settlement:

This demand resolved on the following basis: Employees must wear safety glasses in all plant areas with the exception of cafeterias, break malls, first aid stations and enclosed office areas.

Demand No. 404

The Union demands that safety glasses cleaning equipment be available in all departments.

Settlement:

This demand is resolved on the basis that safety glasses lens cleaner will be available upon request.

Demand No. 405

The Union demands that all glasses, either standard issue or prescription which become pitted or damaged on company property during working hours, be replaced free of charge at employees request without argumentation.

Settlement:

Prescription safety glasses will be replaced or repaired without charge to the employees in those instances where damage is attributable to the job assignment, unless it can be specifically proven otherwise. Prescription Glasses lost or damaged not in connection with an employee's work at this Company will be repaired or replaced at the employee's expense. Standard issue safety glasses have never been a problem and will be issued on the same basis as in the past.

Demand No. 406

The Union demands when employees are issued prescription Safety Glasses, they must be prescribed by employees doctor. If these glasses are later found not to be as prescribed by the doctor, they will be replaced by Management, at no cost to the employee.

Settlement:

This demand is resolved on the basis that when employees are issued prescription Safety Glasses, they must be prescribed by employees doctor. If these glasses are later found not to be as prescribed by the doctor, they will be replaced at no cost to the employee.

Demand No. 407

The Union demands Rolls-Royce Allison furnish tinted eye glasses (per prescription) at no cost to the employee.

Settlement:

This demand is withdrawn on the basis that tinted safety glasses, up to a No. 2 soft light tint, are provided, if prescribed by the employees eye Doctor, under the provisions of the Company's Safety glass program.

Demand No. 408

The Union demands that RX safety glasses and all frames be provided at no expense to employees.

Settlement:

This demand is resolved on the basis that one (1) additional male and female frame selection will be added to those currently provided to employees at no cost by Management. The frame to be added will be the most popular extra cost frame style chosen by employees over the past twelve months.

Demand No. 409

The Union demands that when an employee requests safety RX glasses provided by the Company that they be received no later than two weeks from the time the RX is turned in and the employee be notified when the glasses are in.

Settlement:

In resolution of this demand, a new local vendor has been secured to provide better delivery service of prescription safety glasses. Additionally, employees will be issued a card at the time

of order informing them of the expected delivery date of their glasses, a telephone number to call for information, and the hours of service.

Demand No. 410

The Union demands Rolls-Royce Allison pay for all glasses and plastic lens, including tint and plastic lens.

Settlement:

This demand is resolved without prejudice to either parties' position on the basis that Management will provide employees with prescription safety glasses including the following items:

- Company approved frames.
- Plastic lenses with scratch resistant coatings.
- Company approved tints.

Demand No. 411

The Union demands that all Sheffield Grinders be vented to keep Oil Mist and Fumes from coming inside the Plant.

Settlement:

Under current operating conditions, the precipitrons on Sheffield Grinders are inspected on a quarterly basis. Additionally, certain specified units are inspected monthly based on historical performance. Management agrees to the inspection of precipitrons on Sheffield Grinders in Department 0588 on a monthly basis until history proves this is not necessary. Supervision will be advised that should conditions warrant, a malfunctioning precipitron on a Sheffield Grinder would be shut down upon the completion of the cycle until repairs are made.

Demand No. 412

The Union demands that Management provide a more effective preventative maintenance program on the jack ladders, electric lifts and vertical lifts.

Settlement:

This demand is resolved on the basis that Management will set up and monitor a more effective preventative maintenance procedure for manual and electric personnel lifts and portable cranes. It is recognized that the cooperation of employees utilizing this equipment is necessary to insure proper and safe usage. Therefore, employees assigned to operate this equipment will be reinstructed to perform surveillance prior to placing equipment into daily service. It is further understood that these personnel lifts and portable cranes will be checked in a designated area

under this preventative maintenance procedure on a 90 days basis for the first year and every six months thereafter.

Demand No. 413

The Union demands that Management provide respirators of a type that will protect an employee who has "facial hair".

Settlement:

Four air respirators will be made available for employees with facial hair.

Demand No. 414

The Union demands that a minimum of (2) pair of Safety shoes per year be provided free of charge to all employees.

Settlement:

In the discussion of this matter, the Union raised the point of protective shoes in the Attendant. Salvage classification. Investigation and discussion of the matter has resulted in agreement to provide protective shoes to the employees so classified.

Demand No. 415

The Union demands that the company maintain sanitary, safe and healthful working conditions in the Plant. To equip all hazardous machinery with effective safety devices, to maintain precautions against exposure to occupational diseases and poisoning and to furnish without cost to the employees whatever protective equipment and special clothing may be needed by them for safe and healthful performance of their jobs.

Settlement:

This demand is resolved on the basis that Management will continue to provide the necessary protective equipment based on the individual requirements of the jobs.

Demand No. 416

The Union demands that proper safety meetings be held on a timely basis for Powerhouse employees and that a carry over book be left in each powerhouse for use of employees.

Settlement:

Management will provide safety talks in the Powerhouse in a timely fashion. Under current operating conditions a carry over book will be provided for Powerhouse employees.

Demand No. 417

The Union demands that safety meetings be held at least once a month, and be held in Conference Rooms, with a District or Alternate Committeeperson present.

Settlement:

Safety is a joint concern of the parties as attested to by the National Agreement. Management agrees that safety related topics are the proper subject for safety meetings, and such meetings are not for the purpose of harassing employees. Requests for representation will be handled in accordance with Paragraph (29) and Document No. 1, Paragraph IV.b. of the National Agreement.

Demand No. 418

The Union demands that all moving equipment including power trucks and scooters; be parked 5 minutes prior to and 5 minutes after shift changes and lunch periods.

Settlement:

Employees operating in-plant vehicles will be instructed to avoid congested areas during lunch periods and shift changes. Employees operating any in-plant power vehicle in a congested area during one of these periods is to pull over and stop until it is safe to continue. This applies to any power vehicle in the plant except emergency vehicles.

Demand No. 419

The Union demands that the hands on Health and Safety training be enlarged.

Settlement:

Management will make additional space available to enlarge the training area. The area will be expanded to the West to an area approximately 20' x 40'. The oilers will be moved to the north area of the current Health and Safety training area.

Demand No. 420

The Union demands that all new hires receive their Health and Safety training prior to them performing their job on the floor.

Settlement:

New employees shall be given new employee Health and Safety orientation training during their first 30 days of employment.

Demand No. 421

The Union demands that all piping be labeled at once.

Settlement:

Management is continuing to assign employees to label pipes in accordance to OSHA requirements. These assignments will be continued to comply with the OSHA requirements and shall be completed within 12 months.

Demand No. 422

The Union demands all vacuum furnace operators at SCO be given continuous training, for safety, in the following areas:

1. Lock-out training
2. Confined space training

Settlement:

Lock-out training and confined space training will be provided to Experimental Single Crystal Developer employees at SCO.

Demand No. 423

The Union demands all Apprentices receive their Health and Safety training during the first month on the job.

Settlement:

Newly made apprentices shall be given Health and Safety orientation training during their first month on the job consisting of fall protection, confined space and lockout/tagout.

Demand No. 424

The Union demands more information on materials and methods on health hazards short and long term effects at SCO be offered.

Settlement:

Management will provide safety information upon request.

Demand No. 425

The Union demands that the Health and Safety area be enlarged inasmuch as we need bigger class rooms..

Settlement:

Under the provisions of the MSE Transition Document language of this agreement, the parties have agreed to study the training requirements of the future. As such, facilities for Health and Safety shall be considered as well.

Demand No. 426

The Union demands Management investigate putting a hoist (overhead) to put items on the overhead monitor Plant #11 dock area. Install if the overhead will support such a hoist.

Settlement:

This demand is resolved on the basis that Management will relocate the storage area currently housed on the mezzanine above the Plant 11 dock area.

Demand No. 427

The Union demands that there be a hoist installed to service the Overhead Area (in the north end of the new (high) part of plant 11 (just north of the stackers).

Settlement:

If the overhead area just north of the stackers is continued to be used for storage, an appropriate hoist will be installed.

Demand No. 428

The Union demands that trash bins or chips carts that are pulled through the plant be limited to one only at a time.

Settlement:

The parties recognize that the number of skids, gondolas or carts pulled by in-plant power vehicles is necessarily controlled by circumstances existing at the time. Under current operating conditions, during regularly scheduled shift hours when the plant is in full operation, it is Management's policy that in-plant vehicles not pull more than four skids or gondolas, or five carts, or two chip barrel dollies with an eight drum capacity at any one time.

Demand No. 429

The Union demands all chip trucks and gondolas have rubber wheels installed to cut down noise.

Settlement:

This demand is resolved on the basis that management agrees that the empty chip carts are too noisy and continued efforts will be made to reduce the noise to acceptable levels. The parties will jointly monitor the efforts to find and implement an acceptable solution to this problem.

Demand No. 430

The Union demands that the Company Store open the last Friday of each month at 5:00 AM for the midnight shift.

Settlement:

This demand is resolved on the basis that the Company Store at Plant #5 will adjust its operating hours on the last Thursday of each month to open at 6:30 A.M. to provide service for the midnight shift employees at the conclusion of their shifts. These adjusted operating hours will remain in effect for a trial period of six (6) months following the ratification of the Local Agreement. At the conclusion of this trial period it will be jointly determined if the adjusted hours have been a successful attempt to provide service for the midnight shift employees and a benefit to the program supported by the Company Store operation.

Demand No. 431

The Union demands a better size selection and prices on shirts and coats in company stores, such as triple X and tall.

Settlement:

Management will work with the UAW to provide UAW 933 cosigned garments in the Company Store.

Demand No. 432

The Union demands that Rolls-Royce Allison implement a Suggestion Plan.

Settlement:

After the ratification of this agreement, the parties will jointly select representatives from Management and the Union to develop and implement a Suggestion Plan at Rolls-Royce Allison. The committee shall be formed within 30 days of ratification. The program shall be implemented within six (6) months of the formation of the committee.

Demand No. 433

The Union demands Rolls-Royce Allison have several eyeglasses cleaning stations at key locations (penthouses).

Settlement:

Eyeglass cleaner will be available at supervisors' desks on the midnight shift.

Demand No. 434

The Union demands Rolls-Royce Allison build complete Health Spa on site for employees and family to use before and after working hours.

Settlement:

Management and the Union will investigate and determine feasibility of providing a health spa for employees.

Demand No. 435

The Union demands that the Public Address System be repaired and / or upgraded.

Settlement:

Management will investigate and determine proper repairs and/or upgrades that are needed to improve the public address system.

Demand No. 436

The Union demands that Management install coolant lines with pressure nozzles on every machine to be used by operators and trades person to pressure rinse and flush away dirt and grime. Coolant is far superior to water or solvents in cleaning equipment and it does not promote rust or corrosion.

Settlement:

During MSE activities, Management will investigate incorporating garden type hoses from coolant systems to be used to rinse off fixtures and tooling on equipment needing this.

Demand No. 437

The Union demands that all equipment in the Joint Video Lab be kept up to industry standards.

Settlement:

Management and the Union will investigate upgrading video lab equipment.

Demand No. 438

The Union demands that Department 0591 be air conditioned.

Settlement:

This demand is resolved on the basis that Plant Engineering will investigate, propose, and implement a solution to the heat released from the opening of furnaces and the air conditioning units in the AEP area. This work will be accomplished by the next air conditioning season.

Demand No. 439

The Union demands that no employee be instructed to run parts out of the routing limits unless a specific order is made, in writing, by his or her supervisor.

Settlement:

This demand is resolved on the basis that employees are expected to follow all reasonable orders and directions issued by their supervisor. In those limited instances, should an employee be given a specific order to machine piece parts out of routing limits, and he requests that order in writing the following procedure will be utilized:

1. The employee will specifically request, in writing, identifying the part number, operations and date.
2. The supervision will provide the specific order in writing verifying part number, operation and date on the same AVO filled out by the employee.
3. The supervisor and employee will both retain a copy.

The open door policy, through each employee's respective line organization, is encouraged in instances related to quality.

Demand No. 440

The Union demands that all wooden ladders be removed and be replaced by metal.

Settlement:

Under current conditions, all stationary ladders to penthouse sub-stations are metal.

Demand No. 441

The Union demands that the E.I.T. (Employee-In-Training) Program be upgraded.
Settlement:

This demand is resolved on the basis that Management and the Union have agreed to a pilot program in which selected hourly workers, Union Representatives and Management Representatives would serve on committees to develop specific recommendations for E.I.T.'s. The results of the committees' work will then be evaluated by Management and the Shop Committee for possible adoption. It is understood that this settlement is without prejudice to the position of the International Union, UAW.

Demand No. 442

The Union demands that the computer in the Air Condition Department at Plant #5 be assigned to the Bargaining Unit employees in Department #0521.

Settlement:

It is agreed that utilizing the computer to trouble shoot the air conditioning system or turn various controls on or off to operate the system is properly bargaining unit work. The parties agree that all employees assigned to "Refrigeration and Air Conditioning Maintenance" classification will be trained in the use of the computer to perform their job function and they will be expected to utilize this tool, when required, to perform their work function.